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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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SET AUGUST DEADLINE FOR GENERAL STRIKE

Pot of Gold at End of New Deal's Rainbow Is Wage of $16 a Week

'New N.R.A.' Offers Labor W.P.A. Rate

The long awaited pronouncement of President Roosevelt on behalf of labor was published last week. In a message to Congress he gave expression to the soundest possible philosophy relative to wages, hours of labor and solidarity between agriculture and labor.

Said the President: "The time has arrived for us to take further action to extend the frontiers of social progress. . .

"Today you and I are pledged to take further steps to reduce the lag in the purchasing power of industrial workers and to strengthen and stabilize the markets for the farmers' products. The two go hand in hand. Each depends for its effectiveness on the other. . . .

"Nation's Plenty Assures Fair Pay"

"Our nation so richly endowed with natural resources and a capable and industrious population should be able to devise ways and means of insuring to all our able bodied working men and women a fair day's pay for a fair day's work. . . .

"We must ever bear in mind that our objective is **to improve and not to impair the standard of living of those who are now undernourished, poorly clad and ill housed.**"

The presidential pronouncement comes like a rainbow after months of tempestuous industrial strife. Concurrent with it, Senator Black and Representative William Connery, Jr., two presidential spokesmen in Congress, immediately translated the Chief Executive's words to New Deal action. In the form of a new

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An Open Letter to the Clergy

By Father Coughlin

PART II.

MY FELLOW CLERGYMEN:

Following the publication of last week's open letter to the clergy, telephone calls, telegrams, personal visits and a stream of letters began to carry the reactions of priests and ministers to the offices of SOCIAL JUSTICE.

It is too early to attempt to answer any of the letters already on my desk, which either coincide or differ with the views expressed in last week's SOCIAL JUSTICE. Nevertheless, it is deemed appropriate to clarify several phases of the question which was proposed in the previous edition of this paper.

For the information of my fellow clergymen to whom no opportunity of studying money and banking has been afforded, permit me to set down briefly, first, the following uncontroversial point which is quoted verbatim from page 89 of the book **"Money—Questions and Answers":**

"While modern banks presumably accept depositors' money for safe keeping, it should be understood by each depositor that the contract which he is making with the bank does not guarantee that his deposit will be returned to him on demand or any other time. The depositor really becomes a creditor of the bank, and not a preferred creditor, at that.

"Moreover, while the bank does lend some of the depositors' real money, the said bank is gambling on human nature. First, **it arranges to create ten, twenty or thirty times the amount of money really deposited with it and then proceeds to lend this** to manufacturers, merchants, builders, tradesmen and citizens. The banker goes so far as to make loan-deposits that are ten to thirty times, the real deposits. . . .

"Today (February, 1936), the total deposits of real money placed in the banks for safe-keeping by all classes of citizens amount approximately to $700-million. The bankers report to the public, however, that the deposits in the Federal Reserve banks and in the member banks total many billions of dollars. Truthfully, they should report that these many billions of dollars are loan-deposits that they have created."

A deposit, therefore, as far as the banker is concerned, is nothing more than a loan. Under modern capitalism it is considered most conservative on the part of bankers to lend at least ten times more than they have; to charge interest on this money and to demand that the borrower return to the lender real dollars for the fictitious dollars which were borrowed. That point is not even open to discussion, because every person who possesses even an introductory knowledge of

(Continued on Page 10)

How International Bankers Fostered Russian Revolution

The complete exposure of how international financiers make wars and create depressions for their selfish profit, supported by startling documentary proofs, will be given in a series of vitally important articles starting in NEXT WEEK'S SOCIAL JUSTICE.

What American banking house was implicated in financing Trotzky and his fellow plotters in order to overturn imperial Russia?

What American banker financed Japan's war against Russia?

Why were certain ships of the Austrian navy known as "Rothschild dreadnaughts"?

Who sat in on the "deal" to betray our Russian allies to the Bolsheviks?

Was the Russian revolution a German war plot or a world conspiracy against Christian civilization?

How the European war was financed by the creation of non-existent money—

These and other startling facts of unwritten history will be told to the world for the first time in SOCIAL JUSTICE next week.

C. I. O. Asks New Division of 'Profits'

Already discontent is brewing in the ranks of the members of the C. I. O. It is learned from reliable authority that the five and ten-cent wage increase obtained in the automotive industry and in other industries have melted into nothing before the increased cost of living.

Disillusioned followers of John L. Lewis who paid $2 a piece to be initiated in the C. I. O., and a dollar per month to stay in as members in good standing, are loud in their complaints about the bogus bargains which local leaders have made with big business insofar as the said bargains have ham-strung them from taking real action in order to get a real division of industrial profits.

"Wait Till August," Is Slogan Now

"Wait until August," said a prominent member of the U. A. W. to SOCIAL JUSTICE. "We will either obtain a 25 per cent raise in pay or else close down the factories."

Already spasmodic strikes have broken out following the six months bargain agreement to eliminate all strikes and in each case the local officers of the U. A. W. have cracked down on their members.

To some it appears that Martin and Frankensteen have lost control, in a degree. In other cases hundreds of dissatisfied members have torn up their membership cards and are waiting for more intelligent leadership to see them through. Just how far this disaffection will gain ground between now and August is a matter of conjecture.

Strategy Aimed At August Coup

Meanwhile Governor Murphy in Michigan has put his foot down on sit-down strikes in the public utility field and John L. Lewis is content to barter for political power with President Roosevelt and Madame Perkins.

Communists are planning a new strategy in preparation for what they call **"the August coup."**

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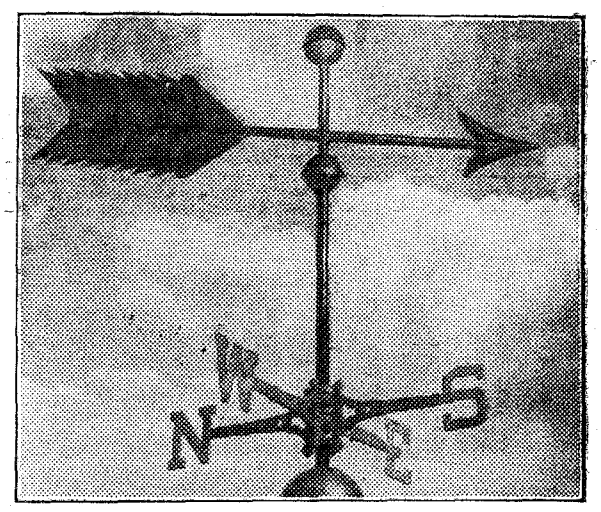

THE INDICATOR

By Father Coughlin

EACH week SOCIAL JUSTICE publishes, on its editorial page, the 16 principles which form the basis of social justice. For the purpose of clarification it is expedient to expand upon some of these principles in this issue.

* * *

1. Liberty of conscience and education:

No true follower of social justice can subscribe to any program of so-called economic liberation which includes the destruction of religion. This statement eliminates Communism as preached and practiced in Russia and Mexico today. Also disqualified stands Hitler's Nazi-ism even though the supporters of the present German regime claim a temporary material prosperity resulting from Mr. Hitler's program. Moreover, SOCIAL JUSTICE is forced to oppose the so-called "Child Labor Amendment" of the New Deal which, upon analysis, is nothing more than a regimentation of all citizens of America under 18 years of age and an admitted attempt to regulate, by Congress, all their activities, including religion.

* * *

2. A just living annual wage:

Our program is not content with seeking a 5 or 10-cent per hour wage raise for the exploited factory workers of America, when the purchasing power of the dollar remains in the regulatory hands of a private group of individuals. These persons hold and control money or credit so that **"no one dares breathe against their will."** It is our contention that no living annual wage can be attained for labor until Congress regulates the purchasing power of the dollar so that a raise in salary for the working men will really remain a raise in salary.

* * *

3. Nationalization of important public resources:

Social justice does not believe in the collectivization or nationalization of industry. It does not believe in the nationalization of private local banks. It does believe in the public ownership of all waterways and of all trans-continental highways. It neither proposes nor opposes the nationalization of public communications, oil fields, transportation systems, or power systems. These ownerships should be left to the judgment of consumers and users of such public services. Thus, it is not hostile to the philosophy of social justice for a city to own its own municipal transportation, its own electrification, its own communication. If owned privately, these services should be controlled by the government to the extent that proper service is given and that only proper and fair profits are derived by private owners.

* * *

4. Private ownership of all other property:

All industry, all farms and dwellings and office buildings, with very few exceptions, should be owned in private. A government office building or a government experimental farm, for example, may be owned by the government. In the matter of W. P. A., social justice believes that the government should conduct necessary public works insofar as it supplies the money for them, but it is foreign to our minds to have the government act as contractor. Social justice believes that the government, in the conduct of necessary public works, should hire local competent contractors, independent of their political affiliations and chosen through the process of ability to perform, and of secret bidding to do the actual work.

To offer tangible proof that the clergymen of the United States unconsciously are collecting agencies for the modern usury, SOCIAL JUSTICE will begin publishing next week the most important news story on international banking and the cause of the Russian Revolution in the history of journalism.

That the destruction of Russia was a diabolical and hidden assault against Christianity will be proven without any hesitation; and that it originated, not with Karl Marx nor with his soap box followers, but with the heads of the banking houses with whom some of the clergy of America have been dealing will be likewise proven.

Instead of advocating the confiscation of private property, social justice advocates a multiplication of private properties to the end that every working man and farmer will be enabled to own his own home or his own acres, thereby abolishing one of our greatest social evils which, for example, in Detroit, indicates that for every 10 renters there is only 1 landlord.

* * *

5. Control of private property for public good:

No owner of private property should consider himself outside the control of government. If he is a factory operator, his factory must be sanitary. A privately owned factory must submit to minimum wages and maximum hours, and must be open to inspection to insure prospective purchasers that the raw materials entering into a product are genuine and honest, as advertised. As for the owner of a home, he must abide by governmental building regulations. These are two samples of what is indicated by this point.

* * *

6. Abolition of Federal Reserve Banking System and establishment of a government owned central bank; and

7. Restoration to Congress of the sole right to coin and regulate the value of money:

It is the contention of social justice that, since money is the receipt for wealth, it should be issued tax-free by Congress, as the Constitution prescribes. This can be accomplished, first, by the purchase of the Federal Reserve capital stock at a cost of approximately $140-million, and second, by taking over the Federal Reserve assets and liabilities at par and by the appointment by Congress of a monetary authority whose business it will be to keep a reasonable amount of currency in circulation in the nation and to issue directly, through themselves, or indirectly by local privately-owned banks, a reasonable amount of credit money against the immediate potential wealth of the nation.

If a surplus of currency money begins to exist, it will be the business of the monetary authority to take it out of the stream of circulation through the process of taxation. If a deficiency of currency money or of credit money exists, it will be the business of the monetary authority to so notify Congress. Thereupon and forthwith, Congress can fill up the deficiency of currency or of credit money through necessary public works, paid for by the government through local and private contractors.

* * *

8. Maintain cost of living on an even keel:

As is evident from statistics published by the various departments of our federal government, oftentimes there exists 96 pennies in the dollar up to 125 pennies in the dollar. In other words, a dollar buys too much at some times. At other times it buys too little because the privately-owned Federal Reserve Bankers have not regulated the dollar to keep 100 pennies in it. This is evident in the case of farmers, for example, who bought acreage, at $200 per acre when wheat was $2 a bushel. Because the private Federal Reserve Banks can take money out of existence, prices fall and wheat drops, for example, to one dollar a bushel.

The original debt of the farmer still remains at $200 an acre, but his original hope of paying it off with two-dollar wheat has vanished. He is now forced to raise two bushels of wheat where he formerly raised one bushel of wheat to meet his budget.

Statistics supplied by the various bureaus in Washington afford us the opportunity of enabling a borrower to pay back just what he borrowed plus a fair rate of interest. In other words, if our government wants to, it has all the machinery now within its power to keep 100 pennies in the dollar. Social justice believes that this is a duty of government.

* * *

Next week **"The Indicator"** will print some observations on the eight remaining points of social justice.

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Roosevelt Forces Challenged: Real Money Bill Introduced

Foes of Court Plan Are In for Reprisals

Immediately following the November presidential elections, Postmaster General Farley made the announcement that there would be no reprisals.

Last week this New Deal promise went the way of other New Deal promises when the same James A. Farley openly announced his reprisals against Senators O'Mahoney and McCarran.

These two western Senators originally were in the bag for the presidential court-packing plan. Having arrived at the conclusion that Mr. Roosevelt's Supreme Court plan was against the best interests of the nation, O'Mahoney and McCarran, refusing to become rubber stamps and remembering their oath of office, openly opposed their own Democratic leader.

Patriotism was preferable to partyism in their minds.

How Reprisals Will Be Passed On

What do Farley reprisals mean?

First of all, patronage will be denied the politically independent Senators and will be diverted only to the politically subservient members of Congress.

Second, **it means that the poor of Wyoming and Nevada, home states of O'Mahoney and McCarran, will be denied their share of work relief, to discredit the conscientious Senators representing these states.**

It means that throughout the executive departments word will be passed down to oppose all measures proposed by these Senators.

If history will repeat itself there is the case of the late Huey Long to be remembered. Because the Senator from Louisiana opposed the New Deal in some of its radicalism, sleuths from the Department of Justice were let loose upon him and his activities. Income tax investigators plagued him and his followers at every step.

In the case of McCarran, who is a lawyer, will the government income tax investigators ride rough-shod over his clients to drive them away from his office?

Meanwhile Jim Farley has spoken, "as he echoes his master's voice," so says McCarran.

It will be interesting to find out, after the final vote on the Supreme Court packing plan will have been counted, how potent is the postmaster's power and how independent are the members of the United States Senate.

Social Security Act Upheld

Social Justice has campaigned during the past four years for social security. "Want in the midst of plenty," which is equivalent to "insecurity in the midst of security," can not be tolerated. Nevertheless, the editorial expression of this newspaper would not be honest if it failed to express its opposition to the Social Security Act as it is now written.

The Gold Nationalization Act did not nationalize gold, as every person knows. It was an act to confiscate the gold of the nation and hand it over to the privately owned Federal Reserve Banks.

In a parallel process the Social Security Act is not a security act as one who reads its articles, its clauses and its phrases can readily learn. It is nothing more than an act to share the cost of government.

This act provides for the regimentation of every American working man save those employed in domestic and agricultural duties. It further provides that both the workmen and their employer shall contribute to the Federal Government a percentage of the wages which the workmen receive. It stipulates that the accumulated contribution received from employer and employe will be handed back to the workman when and if he attains the age of 65. This is in the face of the fact that industry is opposed to hiring men, generally speaking, when they have passed the age of 45.

No special governmental bank account has been set up to hold the moneys received from labor and industry under the title of the Social Security Act. All these moneys are funded in the common treasury department to be spent, in the meantime, on battleships, on shrapnel, on deficient taxation and other items.

No wonder Mr. Roosevelt maintains that no new taxation will be required this year! By this one stroke he has implemented the greatest act in the history of American government for tapping the source of taxable wealth.

SOCIAL JUSTICE will uphold any act of social security that really means social security. Nevertheless, this law is now the law of the country. The working men of America have asked for it and have obtained it. If they can take it, SOCIAL JUSTICE and its followers are well able to take it.

New Deal N. R. A. for Labor Sets Pay at $16 a Week

(Continued from Page 1)

NRA bill they propose, among other things, to limit the hours of labor to 40 a week and the pay for the laborer at 40 cents an hour.

Sets $16 a Week Minimum Wage

Simple arithmetic will show the laboring man that the rainbow of Mr. Roosevelt's words did not end in a pot of gold but rather in a price tag of $16 a week for the men and women engaged in industry.

What working man can live on $16 a week?

What industry, as of today, is not paying $16 a week.

What reception will labor give to the president's pronouncement?

No informed man can be cheerful over this New Deal brand of social justice, which, with its regimentation under the Social Security Act, is nothing more than a second rate Fascism.

Golden Promise Is W. P. A. Scale

Once more President Roosevelt has sounded the golden words of social justice philosophy. Once more the concrete application of his words has indicated that the New Deal objective for labor is the WPA standard of $54 a month.

In a practical world where the indices of market prices are ample proof for our statement, no working man can support his wife and two children and himself under $32.50 a week at the present writing. No one knows this better than does the president, Senator Black and William Connery, Jr.

If and when the Black-Connery Bill will have been passed to carry out the latest presidential message to Congress on behalf of labor, there can be only one result, namely, bigger and better strikes in any industry until the minimum of $32.50 will be paid.

Lemke Measure Will Control Money, Create Bank of United States

The one money bill—among the many that have been introduced at this session of Congress — which goes the whole way toward an honest money system is H. R. 1659.

The sponsor of H. R. 1659 is William Lemke, and the language of its long title is of interest to every follower of SOCIAL JUSTICE. It reads:

> **"A BILL—Providing for Congress to coin and issue money and regulate the value thereof by establishing the Bank of the United States, owned, operated, and controlled by the government of the United States; setting forth the scope and manner of the bank's operation; creating a Board of Control and defining the powers and duties of the Board and other persons charged with the Bank's management; and for other purposes."**

Aims to Provide a Sound Currency

The purpose of his bill, according to Congressman Lemke, is to encourage agriculture, commerce and industry. It proposes to finance the government of the United States, and provide the people with a sound and elastic national currency.

It proposes to establish a central bank, owned, controlled and operated by the United States in its sovereign and governmental capacity under the name of the **"Bank of the United States."**

Here then is the old idea so long advocated by Father Coughlin, namely, a central bank of the United States to coin and issue money and to regulate its value.

The bill does not touch the private local banks.

Board of Control a Money "Congress"

How does the sponsor expect to create this bank?

Section 2, tells us that a Board of Control is to be established to organize, conduct and manage this Bank of the United States, with 48 members elected, one from each of the states as are the Representatives in Congress or the Senators, namely, by direct election of the people.

After these members of the Board of Control are elected they are divided by lot into three classes, with one class serving for two years, the second for four years and the third class for six years. Thereafter the members would serve for six years. Under this plan the Board would be two-thirds experienced with one-third fresh from the people every two years. The members **would be divorced from any business activity** and would be paid $10,000 a year for their services.

Section 3 of Mr. Lemke's bill, provides that though the central office shall be in Washington, D. C. branches may be established in any or all states of the Union.

Board Takes Over Federal Reserve Bank

Section 4 is important, for it authorizes the Board of Control to take over the 12 Federal Reserve Banks as well as their requisite property.

Section 5 authorizes the Board to appoint a manager to conduct the actual banking operations and all the employes are to be placed under civil service.

Section 6 gives the Board of Control authority over all employes and then gives Congress the power of impeachment over the Board of Control.

Section 7 authorizes the Board to select an executive committee of seven, outside its own membership, no two of whom shall come from the same state. These are the banking experts who will operate with the Secretary of the Treasury and the Comptroller of the Currency as ex-officio members with the full authority of an executive committee.

Section 8 covers the scope of business of the Bank.

Bank Will Issue Debt Free Money

Section 9 provides that when the Bank is ready for business the Comptroller of the Currency, under the supervision of the Secretary of the Treasury, shall be furnished "Bank of the United States Notes" in the sum of $5-billion. Behind these legal tender notes are the full faith and credit of the United States with all its resources, including the gold and silver now lying idle in the Treasury vaults. This $5-billion is the revolving fund of the Bank.

Section 10 provides that the Bank be the repository of all United States funds and, not only the sole depository, but the sole fiscal agent of the government of the United States and all its departments and agents.

Section 11 relieves the government officials of liability for funds actually deposited in the Bank.

Will Guarantee Bank Deposits

Section 12 authorizes the Bank to receive deposits from all the banks of the country as well as from any state or territory or political subdivision thereof, and the government of the United States guarantees all such deposits. Under this same section the Bank of the United States is made the sole depository for surplus funds and excess reserves of all banking institutions.

Section 13 compels banks to remit all collections made on behalf of the United States at par.

Section 14 authorizes the Bank to redeposit in state or national banks, providing these deposits are secured by bonds of the United States.

Section 15 authorizes the Bank to transfer funds to the Treasury of the United States in return for certificates of indebtedness. This same section permits loans to states, territory and other political subdivisions for public improvements and to state or national banks upon ample security. The power of the local subdivision to borrow is limited to 30 per cent of its assessed valuation. Preferential loans are made to local governments where there is unemployment or a low wage scale. Authority is granted for the Bank of the United States to loan to the Farm Credit Administration money secured by farm-loan bonds. Authority is likewise granted for the Bank to loan to the Home Owners' Loan Corpora-

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

Scandal Upon Scandal

SENATOR BURTON WHEELER was recently quoted as warning the New Dealers that, if they do not change their ways, they will outrival the Harding administration in corruption.

SOCIAL JUSTICE within the last few weeks has quoted charges, aimed at officials as high as the president himself, of dishonest practices, which justify nothing less than impeachment, if the charges can be sustained.

These charges, plainly and publicly made, have not elicited so much as a casual denial from those attacked. And the public still continues to sleep.

Now come new charges by Senator Vandenberg of Michigan that farmers are having government money **forced** upon them for curtailing **crops which had already been harvested and sold.**

Senator Vandenberg has received a number of letters, telling of this rare type of vote buying, from bewildered farmers who are sufficiently intelligent to know that such practices, if general, will inevitably destroy the republic.

Vandenberg was charitable enough (or naive enough) to say that he believed that these corrupt practices were being carried on without the knowledge of Secretary of Agriculture Wallace.

Senator Borah took a more challenging stand on the Vandenberg revelations. He said:

"I do not agree with the doctrine that all this skullduggery and all this lawlessness and crookedness are down at the bottom. **It cannot be possible. Somebody is responsible up toward the top.** They may not know of the specific act, but they know of the method by which these things are being carried on, if they have any system whatever."

It is to be hoped that enough senators will rally around Vandenberg and Borah to force a complete investigation of corruption in government under the New Deal—before so many votes are finally purchased as to make the next national election no more significant than a Hitler plebiscite.

The Other Side of C.I.O.

THE other side of C. I. O. was seen by the citizens of the Flint-Saginaw area of Michigan during the recent brief sit-down-strike of the C. I. O.-organized laborers of the Consumers Power Company.

In the name of labor, 1,400 men pulled the switches and sat down. As a result the activities of half a million people in 13 counties were transformed to chaos. Over 75,000 men were thrown out of work as the vital flow of electric current to all factories was stopped. Only the hospitals were spared by the almighty 1,400 Lewisites.

Governor Murphy, who temporized with sit-downism when it was budding in Michigan, clearly saw the folly of toying with this new and socially sinister revelation of what misguided minorities will and can do.

Murphy issued an edict so commanding in tone that the citizens of Eastern Michigan were brought out of darkness after only eight hours of sit-down. Governor Murphy may be an airy-minded idealist, but he is not an impractical fool.

What was it that jerked Governor Murphy into this unwonted executive action?

It was nothing more nor less than the realization that in Michigan, for the first time, labor was demonstrating to the lackadaisical general public the potential social menace embodied in an organization which will stop at nothing.

Consider what Governor Murphy presumably envisioned when the news from Saginaw electrified him into action.

He probably foresaw the dawn of the general strike which has for several months been the whispered threat of the leaders of industrial unionism.

Realizing, from this first evidence, that C. I. O. organizers may be at work on the power centers of all the municipalities and farm areas of the nation, he wondered if it could be possible that they were also organizing workers in the municipal water supply plants.

It then dawned on the governor, conceivably, that there is a short cut to the general, nation-wide strike, if labor leaders should be relentless enough to use it.

It would be necessary only to organize the workers of electric power companies and public water supply plants.

The power workers could shut down every factory in every industrial center, throw homes into havoc, obstruct the sale of gasoline and food, stagnate all retail business activity.

With control over the drinking-water supply of the same centers, the all-powerful union could "put the screws" on the masses and really make them squeal.

In short, **If they wanted to do so, the C. I. O. leaders could commandeer the entire productive machinery of the United States and wield the club of coercive sit-down nationally,** by means a relatively simple device.

The general strike was not necessarily so far away as idealists in office and slumbering citizens might prefer to think. Why, in principle, it was actuating itself, just over in Flint and Saginaw—75,000 men thrown out of work, 500,000 people, men, women and children, in confusion or worse, at the will of 1,400 C. I. O. unionists.

So, perhaps, reasoned the startled Governor of Michigan.

What does the Consumers Power sit-down mean to the people of America? Will Lewis command darkness to descend upon them too?

He had little respect for the people's government when he called upon the president of the United States to "pay up" for a $400,000 campaign gift.

What reason is there to expect that he will show any more respect for the people themselves?

EYES and EARS

By Mark Meechan

IGNORANCE is the handmaiden of tyranny—corruption, its co-conspirator.

That the ranking princes of the New Deal know this eternal truth is revealed more clearly as each day lends new complications to the fight-to-the-death over the independence of the Supreme Court and the inferior federal courts.

It is the general belief in Washington that the president will not retreat from his original position on the fixing of the courts.

The recent rebuff administered by the Senate Judiciary Committee, then, means nothing to the lead horse of the governmental team.

When the senate committee, which has studied the president's bill for two months, voted, 10 to 8, to recommend that it be not passed by the Senate, the scheme was condemned by as fair and capable a jury as could be mustered anywhere in the whole wide world.

The seven Democrats of the Judiciary Committee, who voted against the president's bill —and AGAINST ANY FORM OF COMPROMISE involving the independence of the Supreme Court—have been loyal supporters of the New Deal.

Virtually the only New Deal measure against which any of them voted was the NRA, and only one of them voted against that bill. Only one voted against AAA. Discounting these votes, the seven Democrats, who ruled against the president's bid for power over the Supreme Court, have been consistent New Dealers ON THEIR VOTING RECORDS.

President Roosevelt cannot plead that he had an antagonistic jury to judge his pet measure.

The development of this information — which has been assumed for many weeks but which is now proven beyond dispute—puts a very bad light on the statement made by the president at the Victory Banquet of the Democrats, when he said that opposition to his plan came "substantially from the same old elements."

The president was, it seems to many people, ringing in the same old "bogey" which he had used so effectually in the last national campaign. Thus does the ambitious dictator flout fact and principle for the entertainment and the later violation of tyranny's hand-maiden, ignorance.

Of late the rumor has been gaining importance that, if the Senate defeats his purpose, the president will carry the fight, for a fixed Supreme Court, directly to the people.

The president knows that vast millions of the people, who voted for him in 1936, are

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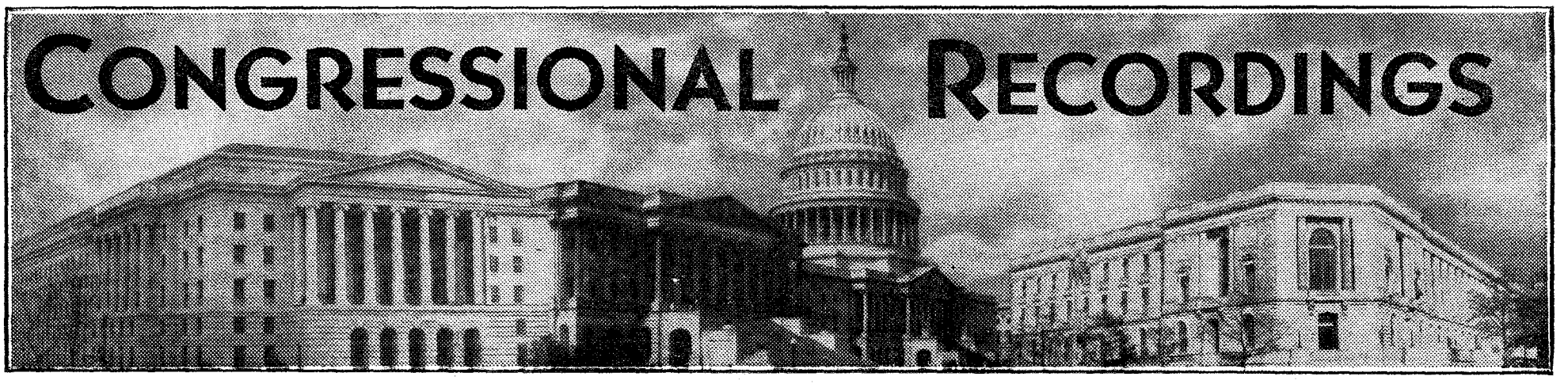


U.S. Can't Help Consumer When Trust Holds Power

By Hon. William E. Borah
Senator from Idaho

Recently Mr. Lewis and the representatives of the coal interests agreed upon an increase of wages of 50 cents a day. I have no doubt the miners deserve the increase; but I observed also that **on the same day** the increase went into effect for labor an **increase went into effect against the consumers** of the country in the price of coal. And they always increase the price far beyond the amount necessary to take care of the wage increase. That is precisely what they may do with the machinery of government backing such procedure and making it legal under the Guffey bill. The provisions of the bill relative to protecting the consuming public are a pretense.

There has been great excitement during the last five or six days with reference to the shooting up of certain prices, a situation which, it is thought, endangers the entire economic structure of the United States at this time. The president has taken notice of it; the press has taken cognizance of it; and I venture to say there is a great deal of worry from top to bottom amongst those who think about the situation and as to what is going to happen under present conditions.

There is no price shooting-up but is under the control of some monopoly or trust. These prices are being increased just as the coal operators, when the anti-trust laws have been repealed to them, will be permitted to sit down and increase their prices under this bill. Prices are now being increased because a few men sit around a table and determine what 130-million must pay in order that they may live. What is disrupting the whole economic structure of the United States is this reptilian monster of monopoly which is coiled up in this Guffey coal bill.

We will not be able ever, at any time, to serve the consumers of this country so long as there is a power **above the government** fixing prices which the consumers must pay.

Party Patronage Defeats People's Sovereign Will

By Hon. Frederick Steiwer
Senator from Oregon

Control through patronage, constitutes a handicap which has never yet been overcome. The administration may be wholly lacking in merit, and may have forfeited the confidence of the people, but still its convention control continues. The seating of federal office-holders in a convention does not effectuate the public will. It defeats the public will and sooner or later will bring a crisis to the American government, the extent of which is beyond our power of calculation.

The welfare of the nation would have been substantially promoted had the national conventions been abolished or controlled by primary selections a third of a century ago.

Misuse of federal patronage was noted in the Republican conventions of 1908, 1912, 1928 and 1932, and I have no doubt that a careful study of the history of the Democratic party will disclose that similar abuses occurred in various of the Democratic conventions.

In the last campaign I heard no denial of the charge that **61 per cent of the delegates** to the Democratic national convention at Philadelphia consisted of federal office-holders and officers and agents of Democartic organizations in the various states. Such a group in a true sense does not constitute a convention. It is convened to underwrite and ratify a nomination already made. Without doubt the president would have been nominated at a primary, and for this reason the convention was not guilty of thwarting the will of the Democratic party. **This does not however, justify a system which on another occasion would operate to defeat the will of the people.**

Only Yield of Foreign Loans Is Bankruptcy

By Hon. Allen J. Ellender
Senator from Louisiana

The 12 years that followed the election of President Harding will in all probability go down in history as the darkest in the triumph of selfish special interests. Labor gradually lost most of the gains it had won in the past, and agriculture was plunging toward bankruptcy, with the powers that be treating its just demands with utter indifference.

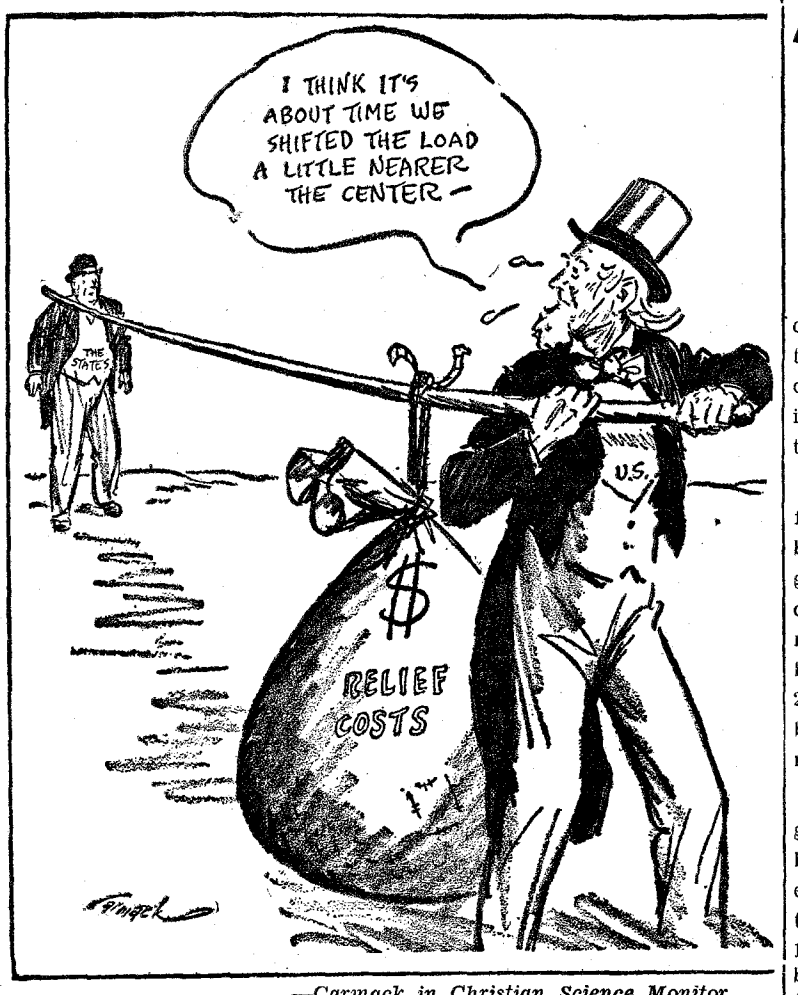
During that period this rich country and its citizens had been pouring billions of dollars into the hands of certain foreign governments for the purpose of rehabilitation, and got in return as evidence of debt and in token of our generosity, beautifully etched and solemnly sealed foreign bonds. Germany alone borrowed several billions and with this money cleared the slums of some of its large cities, built parks, and rehabilitated some of its factories. These billions were advanced, **in addition to the billions already due our government by the Allied nations as a result of loans made to carry on the World war.**

Not only were these certain foreign governments able to borrow from our people, but **billions were loaned to private corporations under their respective laws and many of their municipal governments and political subdivisions.** So long as we poured our billions in the laps of these foreign governments they did a tremendous business with us, some years reaching the enormous sum of almost $6-billion.

So long as they were able to induce our American bankers to manage their finances in this country the buying of our people was somewhat maintained, and almost every branch of industry was in fair shape until pay day came along. When it was finally detected that our foreign debtors did not pay and could not pay, their credit was stopped and gradually our foreign trade decreased to its lowest ebb. Billions of these worthless foreign bonds have defaulted, and I can see no hope for their payment to the holders. The citizens who hold these bonds are in worse shape than Uncle Sam.

If that money had been invested here for slum clearance, the bondholders would at least have the improvements on their own soil. I have no sympathy nor patience with these defaulters, and I propose to advocate before the Congress of the United States a rigid strengthening of the so-called Johnson law.

Trade Treaties Help Europe While U. S. Farmers Suffer



—Carmack in Christian Science Monitor.

"Something Besides the Budget Needs Balancing"

By Hon. Charles A. Halleck
Representative from Indiana

The American people have actually spent for relief $9,831,700,000 through the federal government alone from July 1, 1933 to April 1, 1937—this in addition to the other large expenditures made through state and local governments and through private agencies.

I would not criticize the expenditure of one dollar of that sum **if the entire amount had gone to the men, women and children of America who were entitled to relief.** But too large a portion of this money has been diverted into other channels. There is abundant evidence to support this.

The present system of administering work relief has added greatly to the cost of relief without actually giving the assistance to the needy which the expenditures would otherwise permit. Administration policies have restricted opportunities for employment in many ways.

Centralized administration of relief has not and cannot possibly take into consideration local needs and circumstances.

The method best suited to carying on a program of relief is to **turn back to the states the administrative responsibility for its execution.** The federal government could make grants-in-aid which, together with appropriations by the several states, would promote a co-operative undertaking between the states and the federal government.

A centralized all-powerful relief administration cannot possibly know the problems peculiar to the 48 states, and by not knowing these problems, it cannot do justice to the legitimate needs of the several localities.

Local administration by those familiar and sympathetic with local conditions, chosen for their ability and independence, and not for their political activities, can do a better job, a more conscientious job, than a political machine in Washington.

Local administrators, chosen from neighbors, will be generous where generosity is needed; they will be fair and helpful to the deserving unemployed, but they will not be duped by political chiselers and the undeserving.

America Was Sold 'Down the River' To Aid Exporters

By Hon. Allen T. Treadway
Representative from Massachusetts

Comparing trade in 1935 and 1936, our increased imports from trade-treaty countries amounted to 22 per cent, as against only a 14 per cent increase in exports to those countries.

Some of the countries profited from us more than others. We bought 48 per cent more from Belgium, but only sold her 8/10 of 1 per cent more. We bought 31 per cent more from Canada, but only sold her 19 per cent more. We bought 27 per cent more from Switzerland, but only sold her 6/10 of 1 per cent more.

Ever since the trade-treaty program has been in effect, our imports have been increasing faster than our exports. It is perfectly apparent that we are going to end the year 1937 with a tremendous unfavorable balance of trade. This will be the first time such a thing happened since 1893, when we had a small adverse balance. The administration has changed this country **from an export country to an import nation, which means that the net result of our foreign trade is a loss to the United States.**

When we spend our maney at home, it stays here and rebounds to the benefit of all, but when we spend our money abroad, we are simply helping to relieve unemployment there while at the same time creating more unemployment at home.

Sooner or later the people will awake to the fact that however sincere the administration may be in carrying on its program, its policies are absolutely ruinous. This has an adverse effect upon the farmer as well as the workingman. Both have been injured by foreign importations of goods they should have been allowed to produce. But each has been injured in another way, **for the farmer is the best customer of the workingman, and the workingman is the best customer of the farmer,** and when the purchasing power of one is curtailed it cuts down the market for the other's products.

The only peace so far that has resulted from the reciprocal trade agreement is the epitaph that very soon will be placed over the American farmer, "Rest in Peace." That is the best he is going to get out of it.

The Nobel prize is not enough for Secretary Hull for all the kind favors he has done foreign countries. He should have a great monument erected in his honor **by these foreigners that are being benefited by selling our people down the river.**

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Gov. Hurley Averts Strike Of Boston Hotel Workers

Persuades Them to Defer Action Till He Can Call In Bankers Who Hold Hotels in Their Power

Governor Hurley of Massachusetts persuaded the workers of 41 Boston hotels to forego a sit-down strike when he showed them the futility of their program.

In each one of the 41 hotels the laborers were paid less than a living wage. Agitators, well meaning in opposing this injustice, organized the exploited strikers against the hotel managements.

The governor was so impressed by the presentation of facts on the part of Miss Margaret Hurley, one of the hotel workers, that he assembled the waiters, the bell boys and chefs to listen to his appeal.

Governor Puts Blame on Banks

He pointed out that the banks and corporations who control the policies of hotels are the ones to blame. Amidst applause the strikers pledged to follow the governor in his fight against the directors of the banks and corporations who were responsible for exploiting labor.

The governor said he would call in these directors and ask them to provide better working conditions and more wages. Their answer, he told his audience, would be relayed to the workers within a few days. Until then, he pleaded that no strike action should be taken. Swayed by his appeal the big audience took no strike vote, thereby preventing a possible walk-out of hotel workers in Boston.

"I'm pleading with you not to take a strike vote tonight and not to go on strike at this time," the governor told the hotel workers. "Be fair with the 4,000,000 people of our state and show these people that you are willing to arbitrate.

Policies Set By Mortgage Holders

"Your fight is not with the managers of the hotels where you are employed. They are mere paid workers themselves. They are working for those who hold the mortgages on their hotels.

"Now I have with me a list of the hotels and along side of each hotel the name of the organization which dictates the policies of these hotels. **Your fight for better working conditions and more wages is with the directors of these organizations who dictate the policies.** I'm not going to name the hotels but I'll refer to them as Hotel A, B, C, and so forth.

"I note that Hotel A is controlled by a bank. Hotel B by a corporation. Hotel C by a realty trust. Hotel D by a bank.

"These organizations and their directors dictate the policies of the hotels, and not the managers. These managers can't do anything for you and your problem isn't theirs.

Governor Will Call in Bankers

"I'm going to send for these people who dictate the policies of the hotel and I'm going to talk to them. In the meantime I want you to be fair with your committee, with the labor board, with the arbitration board and with your governor and the people of Massachusetts.

"I'm taking my coat off and I'm going to help you and I want you to be patient and not to take a strike vote tonight. If you will be patient and defer your action the people of the state will be grateful to you for this consideration.

"Right here among you are paid spies. Don't allow them to prevent arbitration of this problem. There's no politics in this situation and, if there was, I wouldn't have anything to do with it. It is an economic problem and will be dealt with as such."

SOCIAL JUSTICE commends Governor Hurley and Miss Margaret Hurley, the hotel worker, for their attitude in averting a Boston hotel strike.

Both of them and their followers recognize that the real fight must be made against the bankers and their boards of directors who control the policies not only of hotels but of all industries.

It is unfortunate that Governor Murphy of Michigan, who had the same opportunity presented to him as had Governor Hurley, missed the golden opportunity in the annals of American labor to direct the forces of the exploited working men of Michigan against the real forces opposed to social justice.

Fr. Coughlin Still on Air

Did you know that Father Coughlin is still on the air?

He is not discussing social justice but is conducting a National Children's Hour.

This program, held at the Shrine of the Little Flower in Royal Oak, Mich., from 3 to 4 p. m. (Eastern Standard Time) each Sunday afternoon, is broadcast to the nation over the following radio stations:

WAAB Boston, Mass.
WEAN Providence, R. I.
WICC Bridgeport, Conn.
WSAR Fall River, Mass.
WSPR Springfield, Mass.
WLBZ Bangor, Maine
WFEA Manchester, N. H.
WNBH New Bedford, Mass.
WTHT Hartford, Conn.
WLLH Lowell, Mass.
WBRY Waterbury, Conn.
WLNH Laconia, N. H.
WRDO Augusta, Maine
WNBX Springfield, Vermont
WLNC New London Conn.
WGR Buffalo
WJR and WXYZ Detroit

The broadcast of the Children's Hour is sponsored by the Radio League of the Little Flower, and is supported by the free will offerings made to the Radio League of the Little Flower.

EYES *and* EARS

(Continued from Page 4)

forced by the pressure of deadening labor or led by the indifference of untrained minds to be in ignorance of what the controversy over the Supreme Court means to them and their children. He knows that there are other thousands — if not, indeed, millions — who do not give a whoop about a free government, because their training and tradition are derived from European autocracies.

He knows these facts as well as the HONEST people who are irrevocably opposed to his program and philosophy know them.

Yet, it is believed, he will defy the considered and deliberate judgment of well-informed and qualified men — who have been his consistent supporters—to carry this issue, on which turns the fate of our very form of government, to the populace.

This lead-horse, himself, could well stand a little training in how "to pull together." Above all, he needs to RE-LEARN the intent of the Constitution and the founding fathers that this is a government BY REPRESENTATION.

"Going to the people" has been carried too far in this government of ours. It has approached the parallel of "going to the bleachers" in a baseball game to check the umpire's judgment.

Carrying every disputed point of complex governmental policy directly to the people is the way by which a republic has degenerated to a democracy, in this country, and it is the route by which democracy is rapidly approaching mobocracy.

The people should carefully consider the recent statement of Senator Wheeler, speaking of the court-fixing bill:

"It is time for the president to withdraw it, but I don't think he will, because I think they want to make the Supreme Court entirely subservient. They can't claim now that there's a 'no-man's land' or a 'one-man's land.'

"The general coercion now being practiced by the Post-office Department AND THE ENTIRE ADMINISTRATION indicates to me that they are trying to dominate everything and that, if they continue there will be scandals equaling the Harding-Daugherty scandals."

Those who still think that Senator Wheeler doesn't know what he is talking about — those who think that the opposition to the president's plan, in the Senate or anywhere else, are mere obstructionists, by that very fact align themselves with the ignorant, the dull or the indifferent.

We repeat—ignorance is the hand-maiden of tyranny — corruption its co-conspirator.

Warns Labor Lewis Is Working With Moscow

Constitutional Educational League Shows Tie-Up With Very Forces He Fought 12 Years Ago

WASHINGTON, D. C. — The Constitutional Educational League, in an impassioned statement last week, urged the workers of America to disavow the leadership of John L. Lewis **because "he is working hand in glove with Moscow to sovietize the United States."**

The league, a patriotic organization, charged that the C. I. O. chieftain had "repudiated his previous anti-Communist stand, and now works with the desciples of revolution to create a movement which he himself predicted, some twelve years ago, would pave the way for the destruction of our government."

Detroit Renamed "Lewistown" by Reds

Two interesting features of the case made against Lewis by the organization were the facts that he was a member, along with Stalin and five others, of the Communists' "Honor Roll of 1937," and that the city of Detroit was renamed "Lewistown" in a map of the United States redrawn by the Russian government.

The league named hundreds of Communists, "interested in the overthrow of the American system," who hold positions of prominence in the Committee for Industrial Organization.

A reward of $1,000 was offered to anyone who could prove that "a single charge" made against Lewis and his associates was untrue.

Workers Too Wise To Be "Used"

Urging that American workers not co-operate with Lewis "in a scheme to sovietize America," the league declared:

"It is difficult to comprehend that they (American workers) would help in any manner, shape or form to bring about the overthrow of the American system which has given them so much—the highest wages, the shortest working hours and the highest standard of living in the world.

"It is inconceivable that they would willingly allow themselves to be used as dupes and pawns in the pernicious game of Communism. It is almost beyond belief that they would do anything so un-American."

Mme. Perkins Presides at Tug-of-War

By Staff Correspondent Of SOCIAL JUSTICE

WASHINGTON, D. C.—The position of the American Federation of Labor with respect to Secretary of Labor Frances Perkins is similar to that of an indulgent father trying hard to smile in the presence of company while his little daughter is tugging at his mustache.

Madame Secretary twice has tweaked the venerable whiskers of the Federation within recent weeks.

She led off by announcing that she was opposed to any amendments to the Wagner Labor Relations Act.

It might as well be reported that Sidney Hillman and John L. Lewis, C. I. O. leaders, told her to make the announcement, for that's what happened.

The statement was very bad news to A. F. of L. leaders, who are battling Lewis and Hillman for control of the American labor movement. The federation wants an amendment to the Wagner Act to protect craft unions from domination by the Lewis-controlled National Labor Relations Board.

Wagner Amendment Has Little Chance

Since Madame Perkins spoke for the administration as well as for Messrs. Lewis and Hillman, most observers feel that the amendment has little chance of being approved by Congress.

It will be introduced, however, and there ought to be a battle royal over its final disposition.

Madame Perkin's second slap at the federation was administered in the latest session of her labor-industry conference.

The conference was a closed affair and the newspapers had to report what the secretary told them after it was over. She refused to let any one else breathe a word of what went on in the meeting.

When the press was ushered in, the Secretary of Labor reported that "considerable progress" had been made toward a better understanding of the "rights and duties" of each side. A very pretty statement, but not quite accurate.

A. F. L. Leaders Will "Go Along"

The meeting was far from the Polly-annish affair which Madame Perkins led the newspaper boys to believe. She and Hillman—the arch-defender of the Communistic royalists in Spain—ran the show, to the utter amazement and consternation of the A. F. of L. representatives. A first class fight developed over the attempts of the latter to persuade the Secretary to agree to an amendment to the Wagner Act.

Moreover, she not only refused to be persuaded, but she also overruled the request of Federation officials that they be allowed at least to state their position in the announcement to the press.

For the sake of public opinion, the Madame informed the A. F. of L. leaders in effect, that it was necessary to describe the conference as a "huge success" instead of the flop which it really was.

In view of the influence that Madame Secretary—which she delights in being called—has in the union movement today, William Green and his fellow-officials in the A. F. of L. have taken their setbacks without public murmuring. In other words, they are "going along." The lid is simmering. It is doubtful if they can continue to endure much more of Madame Secretary's "impartiality."

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WORKER DEFIES C. I. O.—The Rev. H.L. Queen, a retired preacher who works as a storekeeper at the Jones & Laughlin steel plant at Aliquippa, Pa., sought to get his stock of candies and cigarettes but C. I. O. strikers barred his way. The former clergyman bit an interfering wrist as the camera shutter clicked, and a moment later received a black eye for his "independence." *Acme Newsphoto.*

General Strikes Help Bankers and Brokers But Not Workingmen

The pending steel strikes in the "Big Five" independent corporations mark the beginning of a drive to organize the nation's 400,000 steel men into one big union under the domination and control of the C. I. O. under John L. Lewis.

Simultaneously, in the motor industry, with General Motors and Chrysler already signed up and Ford tackled, a concentrated drive is on for unionization.

The textile industry is next.

The utility field has already been attacked with the whole Saginaw and Bay City Valley in Michigan tied up without water, electricity, or sewage.

A progressive discontent among labor is being engineered by excessive demands followed by the prompt acceptance of incomplete gains.

Union leaders demand sole bargaining rights, but in most cases are content to accept recognition of only their own members.

Union leaders demand wage increases. They got 10 cents from General Motors, took 5 cents increase from Chrysler and accepted 3 cents per hour from Packard Motor Car Company!

Union leaders have issued pamphlets boasting of empty gains as "victories."

The rank and file is left disgruntled, if indeed it was not deliberate.

The next move is a "general strike" paralyzing steel, automotive, textiles, transportation, communications, utilities. This may be attempted over the Memorial Day weekend when the stock market will be closed. If financial interests who are directing the strikes—backed up by Washington—are not ready by Memorial Day, the Big Strike may be "pulled" July 4th or in August at the latest.

What is behind the general strike? The effect of a general strike called on Saturday afternoon after the stock markets close would be to send all stocks and bonds tumbling when the markets open on the following Tuesday morning. However, the "big boys" will already have unloaded all their holdings the day before the strike was called. By so doing, they will have cleaned up millions.

Besides the "financiers" of this country, all our foreign friends in England and France, having been tipped off on the situation, will have unloaded before the strike is called and will clean up millions for their armament race.

This is the new way of obtaining the American people's money instead of borrowing it. Loans are prohibited under the Johnson Act. This is how the international bankers get around that law. The new way is even superior because they don't have to pay it back. Labor is again the pawn in the game.

There is every indication that a "deal" was made between the leaders of the C. I. O. and the United States Steel and its subsidiaries so that production would not be held up inasmuch as that monopoly is operating at about 90 per cent capacity. While the "Big Five" independents, Republic, Youngstown Sheet & Tube, Jones & Laughlin, Inland, and Crucible, are threatened with strikes termed "inevitable."

Executives of the independent steel companies have offered to make an agreement similar to the one John L. Lewis signed with Myron H. Taylor, but Generalissimo Lewis thunders "No."

This whole picture looks like a deliberate attempt to tie up the independents and either force them out of business while the armament race is on or force them to merge with United States Steel, the monopoly. Labor in the form of the C. I. O. movement, is the pawn in the game.

A. F. L. Must Break With New Deal; Clean House or Give Up the Ship

WASHINGTON, D. C.—The American Federation of Labor, for the first time in its long and brilliant career in the forefront of national affairs, is face to face with disaster.

So critical is the situation, that many observers believe the A. F. of L. may be nothing more than a department of the C. I. O. by 1940, granting that Lewis and his red allies continue to get the warm support of the New Deal administration.

Those are the cold, unvarnished facts at this stage of the feud between Lewis and William Green, president of the A. F. of L.

They are hard lines to report, because the Federation is the last bulwark of labor defense against Communism, Fascism, or whatever it is Lewis wants to establish in this country.

The Federation is losing out for two main reasons:

(1) It has been double-crossed by the Roosevelt administration.

(2) It is being bored from within by Lewis henchmen.

With regard to the first of these two developments, Green and his aides might have faced the facts long ago when they first found themselves in the paradox of being FOR the president and AGAINST Lewis. That is like being a friend and an enemy to the same person, because Roosevelt and Lewis are as alike in their views as any two men could possibly be.

Administration Backs Lewis

A. F. of L. officials didn't realize the incongruity of their position, apparently, until they had been sold down the river by Miss Perkins, Roosevelt's secretary of labor.

The Department of Labor is now in the complete control of Lewis and his first lieutenant, Sidney Hillman.

Acting under orders from these two gentlemen, Miss Perkins has not only denied the Federation's craft unions the right to exist in the same plants with the Lewis industrial unions, but she has been downright nasty, according to reports, in all her dealings with Green's representatives.

The "boring from within" the Federation is being carried on by a clicque of officials, including one or two in the executive council, who are trying to persuade Green to make peace with his C. I. O. rival.

Red Gang Plots Labor Control

These men know that Lewis won't return to the Federation except as top man. He would have the voting power to set himself up as president and ultimately the A. F. of L. would be officered from top to bottom by the same gang of radicals who now rule the C. I. O.

John Frey, president of the metal trades department of the Federation, and other true friends of labor would be tossed out to make way for them. In short, the entire American labor movement would be taken over and run by Russian agents.

The men who now recommend "peace at any cost" to Green are well aware of this. Fortunately for labor and the country, Green also is aware of what would happen and refuses to step into the trap.

A. F. L. Has Chance To Clean House

If Green is to save his organization, he will have to make two moves:

(1) Break away from a political administration that will continue to double-cross him when an advantage is to be gained for John L. Lewis.

(2) Reorganize the A. F. of L. from top to bottom and clean out the termites who are trying to betray him to the enemy.

Refuse to Sign Steel Agreement

Rather than sign a written agreement with the Steel Workers organization committee, an affiliate of the C. I. O., the executives of the Youngstown Sheet & Tube Company, leading independents, recently stated they would close down their mills and resume work only when the employes showed that they wish to return to work. They are in favor of an immediate showdown as to the matter of the closed shop and the check-off, objectives of the S. W. O. C.

Independent steel company executives are of the opinion that they are in a better position today to resist a strike than sign a temporary truce with the S. W. O. C. pending settlement as in the case of the Carnegie-Illinois Steel Corporation, U. S. Steel subsidiary, which expires next February.

The companies are willing to have an election under the National Labor Relations Board, but even if the union should win such elections by overwhelming majorities, the officials state that they will not sign contracts. The law compels them to bargain collectively, which they are willing to do, but it does not compel them to sign an agreement.

Labor Highlights

HOLLYWOOD, CALIF. — Two thousand members of the Screen Actors' Guild signed an agreement with 12 studios for a period of 10 years calling for unionized film players, higher pay and closed shop. In the meantime the Federated Picture Crafts, under the direction of Charles Lessing, continued on strike for sole bargaining rights and higher pay. These included painters, plumbers, boilermakers, scenic artists, hairdressers, make-up artists, utility workers and stationary engineers, numbering some 5,000 employes. Studio picket lines were maintained and picketing of theatres was extended to include several large picture houses.

ATLANTIC CITY, N. J. — David Dubinsky, president of the International Ladies' Garment Workers Union, was successful in ramming through a motion at the recent convention increasing his salary from $7,500 per year to $10,000. The convention went on record supporting the Supreme Court packing plan inasmuch as it had "usurped" the prerogatives of Congress and the president. The convention also went on record as strongly opposing any attempt to compel unions to register or incorporate, on the grounds that "ruinous damages might be assessed against a union for destruction wrought by some irresponsible member." It seems the leaders would like the privileges of a corporation, but not its responsibilities.

STAMFORD, CONN.—An echo of the Yale & Towne Manufacturing Company strike in Detroit was heard here when Steven Moore, United Electrical and Radio Workers Union, (C. I. O. affiliate) organizer said that 80 per cent of the main factory was signed up in the union and unless the Detroit plant was opened up, they would strike. The Detroit plant has been closed for two months and was the scene of an eviction of sit-down strikers by deputy sheriffs and police. Several racketeers were arrested at the time and are now in jail for contempt of court in ignoring an order to evacuate the plant.

DETROIT, MICH.—Demands for a new General Motors agreement will be drafted at a proposed conference of delegates of General Motors locals of the United Automobile Workers, C. I. O. affiliate, early in June, according to Homer Martin, president. Although new contract proposals will be the main item of business at the conference, Martin plans to discuss methods of eliminating unauthorized sit-downs and better co-ordination between the various locals.

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U. S. Treasury Holds Pea

Uncollected War Debts Empower America to Refuse Money and Resources to Europe Until Nations Pay Off Previous Loans

WHILE War Mothers and American Legionnaires are performing significant ceremonies to "remember" those who died in vain, and while the nation solemnly commemorates one day to its known and unknown soldier dead, there is a different kind of remembering being done in the chambers of the world's money changers. As is customary, it is a matter of money—a matter which must some time be settled between debtors and creditors.

The creditor in this instance — make no mistake about it — is the United States taxpayer. The debtors are the nations of Europe, now toying with the prospect of "touching" Uncle Sam for a loan. The question is not whether or not the $12½-billion will be paid. The question is whether Europe will pay the debts incurred by its last war or **whether the United States taxpayer will take over the debt.**

The United States has already paid more than its share of the World war expenses. Our greatest contribution was the mobilization of forces 4,335,000 strong; 234,000 were returned to us wounded—130,000 never came back.

In addition to "our boys" who were sent over to make sure that America's debtors were victorious, was the small sum of ten and a half billion dollars. It appears that the debtors are again to be victorious, for, while pay days come and go without any sign of a blue mark in the war book, administration leaders are casting about for ways to circumvent the Johnson Act and lend more money to these nations still in default of their last loans.

During the war the Allies had shot away most of their bullets and had eaten most of their food. Their credit was gone, their morale was low, and the Germans were getting nearer to Paris. So the United States raised money for them by means of Liberty Bonds. Congress authorized Liberty Bonds and about 20 million American citizens bought them. They wanted to get the war over as quickly as possible and they were told that **they would get their money back with interest.**

SOCIAL JUSTICE is indebted to the weekly magazine NEWSDOM for much of the statistical and factual information herein quoted. Picture on page 8 by Keystone, page 9 by Brown.

Some Congressmen thought it would be a good idea to demand security, but were hooted down because it was taken for granted that nations are honorable and pay their just debts.

If we do not collect these debts, the taxpayers of the United States will have to pay them, just as they are paying now. Great Britain's debt has already cost the United States nearly a billion dollars. This billion was paid to holders of Liberty Bonds and to holders of other United States government securities when those bonds were refunded. The United States had to pay this money because the Treasury borrowed it from investors just as Great Britain borrowed it from the Treasury.

On the same basis, to carry France's debt has cost the United States $1,373,000,000. Italy is supposed to pay us at an average rate of interest of .405 per cent. In June, 1936, it had already cost us about $775-million to carry this debt. Belgium's debt has cost us about $145,700,000. Since 1922 it has cost the United States more than $3-billion to carry all war debts.

Altogether 20 countries borrowed from the United States,—seven before the Armistice, and 19 after the signing.

In many instances the debts had nothing to do with fighting the war. They were used to save the borrowing country from starvation, rebellion, and for reconstruction purposes after the war.

Only two countries have paid their debt in full—Cuba, $10-million, and Liberia, $26,000. Finland borrowed $9-million and has met her payments regularly. Russia has repudiated her debt of $190-million. There is now no Armenian government. Armenia borrowed $12-million.

Of the $10½-billion that we loaned, Great Britain, France, Italy and Belgium borrowed some $9,700,000,000, or about 93 per cent of the total amount we loaned.

In the Treasury statement issued July 20, 1926, we find that about one and a half billion dollars of our money bought England and her Allies bullets.

Great Britain used most of our dollar credits to boost the pound sterling. The pound was slipping fast, just like Great Britain's credit, when our treasury came to the rescue. As the pound went down Great Britain got less for her money. When we boosted it she got more.

ARMED with dollar credits she bought pounds. The more she bought the higher the pound rose. Then she purchased goods over here. But we didn't want pounds, we wanted dollars. So to pay for the goods she exchanged the pounds for dollars at the artifically high rate. In short she got more dollars for the pound after we helped her to boost the pound.

Then, when our troops and officials went across they needed money to buy supplies and other necessities in England. They couldn't use dollars because the British merchants wanted pounds. So we bought pounds for our dollars. Of course, we helped Great Britain to boost the pound and that meant we got less pounds for our dollars. **They caught us coming and going again. England got the dollar credits.**

England also paid our Treasury $387-million interest on some of the money we loaned her. The interest she paid, of course, **was out of the money we were granting her at that time. She also borrowed from Wall Street bankers before we entered the war. Out of the treasury loans she paid back those bankers $350-million.**

We loaned Britain $260-million in silver to support India's currency. And for transporting British goods on American railroads and ships she "borrowed" $48,900,000. At present Great Britain owes us about $5-billion. She spent $7,200,000,000 and paid back $3-billion, before

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e Power

the end of the war, leaving $4,200,000,000 and interest to be paid.

Great Britain plays an important part in any war debt discussion. First of all she is our greatest debtor. Secondly, by virtue of the Balfour Note, she promised to accept no more money from her debtors than she owed her creditors—the United States.

After Russia had defaulted, Great Britain could only collect about $5-billion. Owing the United States almost that much, Britain would gain very little for her trouble of collecting and paying debts.

If the war debts were canceled, Britain would neither gain nor lose but the United States would lose $12,665,268,520.61 which is now owing to us.

Great Britain agreed in 1923 to pay $4,600,000,000 over a period of 62 years at an average rate of 3.3 per cent interest. **Considering that the United States pays the bankers 4 per cent for money borrowed against its own government credit, this rate was more than reasonable.**

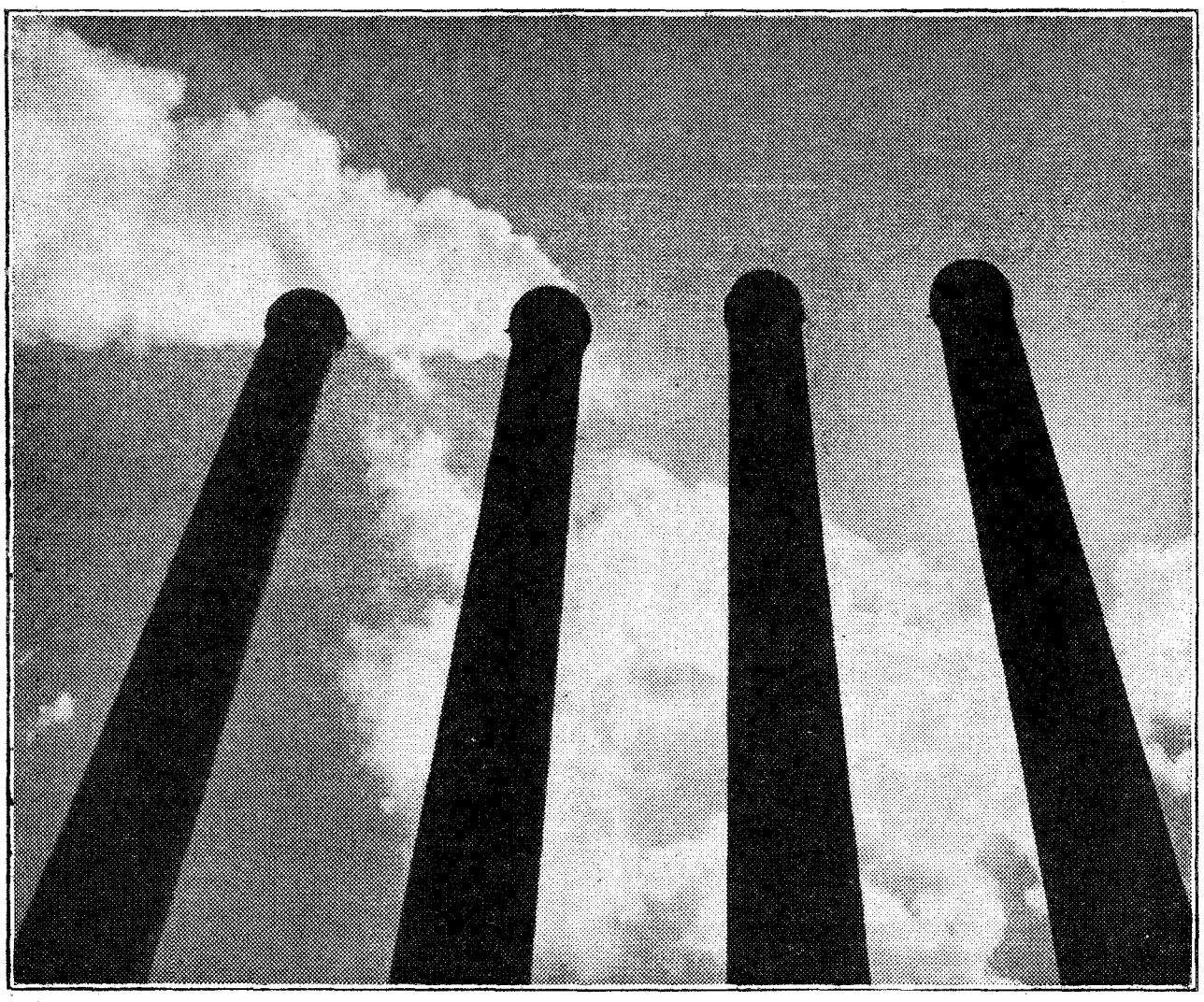
In 1931 President Hoover declared a moratorium in order to give Germany a chance to get on her feet. Germany had been paying the Allies huge sums as reparations, which they were paying in turn to us. Germany, however, had been getting the money which was paid to the Allies and then to us, from the United States. We had been paying our own debts all the while.

At Lausanne the debtor nations agreed to wipe out all of Germany's reparations, if the United States would cancel their debts. In Europe that is called a "gentlemen's agreement."

After the Hoover moratorium had expired, Great Britain made a payment of $95-million in 1932, and two fractional payments in 1933. She defaulted the following year.

Altogether, Great Britain has paid a total of $1,465,000,000 on principal and interest. That debt has already cost America a billion dollars, so that the profit is not exceedingly great.

At present, England has $3-billion invested in the United States, owned by British subjects. Great Britain could buy these securities by reducing her spending and increasing her income to create a surplus in her budget. She does not, because increasing her taxes would place an added burden on her taxpayers. **She prefers to let the American taxpayers carry her war debt burden.**



"Grim spectres of a mighty por tent"—guns of peace—or war

Our Treasury department now holds IOU'S or British government bonds amounting to almost $5-billion, but the secretary of the Treasury cannot sell them because they are too big. Britain's are worth $4,600,000 each. France's are more than a million, and Italy's are $5-million each.

REGARDING collection of these loans, the Secretary of the Treasury can, according to the debt agreements, call upon the debtor governments to issue marketable bonds, in place of the big ones now held by us, sell them on the markets of the world and give us the proceeds.

It would not be necessary to market the bonds at one time. Each year about $300-million—the annual war debt payments due us—could be marketed. But he does not do it.

Great Britain, France and England could reduce their expenditures without further taxes, but they are too busy spending money to do this. Despite the propaganda to the contrary, **the debtor nations have always been able to pay.** It would call for sacrifices on their part. And they prefer to freeze the burden of carrying the debts on to the shoulders of America. **In plain English—the debtor nations do not want to pay.**

It is of concern to American citizens that they do, because every year the American taxpayer has included in his tax bill, the interest burden which should be carried by taxpayers of the nations which we aided in 1917 and 1918.

The nations of Europe can pay their war debts, but the nations of Europe do not pay them. Therefore, the United States taxpayer is paying them. If that is so, and it is settled—why all this talk about war debts? **Because the nations of Europe want to borrow some more money!** What? you ask, after the way they refused to pay their last debts when they could? Yes, because, America, in spite of her gift of billions to Europe in the gold purchases, is still one of the richest countries in the world.

The Johnson Act forbids any country in default to the United States from floating loans in this country. In other words, as things stand—Europe cannot borrow any more money until it has paid its debts.

If this act is sustained, America is in the position of being able to prevent a war in Europe. If this act is violated or invalidated, America is in the position of being responsible for war in Europe. Why? Because **Europe has not enough money—without our help—to finance a war.**

So the war debts become more than a red column in the United States treasury account. They are a restraining influence which the United States can hold over the feverish European head.

However, there is every present indication that the feverish brow will be fanned. Lending money to any nation stimulates trade,—and trade stimulates the flow of money into the coffers of the bankers. So regardless of principle and regardless of the Johnson Act (if there can be found a way to disregard it), it is not unlikely that America may become the rich foster-father of another war. That is of course—unless we the people, through our Congress, see that it does not happen.

What They 'Said' About Paying Their Debts

Great Britain:

"We English have always paid and **always will pay our debts.** (January 4, 1923.)

"As business terms they are fair and honest terms and I have no complaint to make about them. I wish to express my gratitude to the American Debt Commission who, the moment that the terms as to interest and bonds were provisionally agreed upon between us, did everything in their power to make the payment of the terms as easy and convenient to us as they were able." (July 4, 1923)—**Stanley Baldwin, Chancellor of the Exchequer.**

France:

"We do not forget and no one in our country will ever forget what we owe to America for her splendid work to end victoriously the war and for the generous help our people received from citizens of the United States in time of need." (Sept. 24, 1925)—**M. Caillaux, French Minister of France.**

Italy:

"When peace—which America, with such great authority, helped protect all over the world—was assured, Italy, notwithstanding her extremely difficult financial situation offered to settle her war debt with the United States, within the limits of her capacity to pay.

"This acknowledgment of her debt constituted an obligation which Italy intended and **intends to absolve.**" (Nov. 2, 1925)—**Count Volpi, head of the Italian Commission before the American War Debt Commission.**

What They Have Not 'Done' About Payment

(Ref.: Treasury Department, January 15, 1937)

Funded debts:

Country	Total Indebtedness
Austria	$ 23,976,680.13
Belgium	432,042,469.28
Czechoslovakia	165,576,380.33
Estonia	19,560,959.03
Finland	8,448,982.69
France	4,081,227,249.62
Great Britain	5,107,446,980.97
Greece	33,402,848,34
Hungary	2,257,825.74
Italy	2,017,013,118.74
Latvia	8,054,808.40
Lithuania	7,207,793.02
Poland	244,789,002.29
Rumania	63,949,966.15
Yugoslavia	61,625,000.00
Total	$12,276,580,064.73
Unfunded debts:	
Armenia	$ 22,107,404.13
Nicaragua	469,001.84
Russia	366,112,049.91
Total	$ 388,688,455.88
Grand Total	**$12,665,268,520.61**

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Fr. Coughlin's Letter to Clergy ... *Continued*

(Continued from Page 1)

banking readily admits the truth of the above statement.

A second point which should guide us in our discussion of last week's open letter is worthy of note. It is this: Before the advent of Mr. Roosevelt's New Deal, the Federal Reserve Banks and their affiliates, together with local banks which were not affiliates, were permitted by law to print negotiable currency in the form of five and ten dollar bills and bills of higher denomination.

Since the passage of the banking laws credited to the New Deal, local banks are now prohibited from printing currency notes. The Federal Reserve Banks alone are legalized to do this printing or, in other words, to issue money into the stream of circulation.

Under the new banking legislation accredited to Mr. Roosevelt a further privilege has been extended to the Federal Reserve Banks. It is this:

(1) The Federal Reserve Banks extend, for example, $1-billion of credit to the United States government.

(2) The United States government hands over to the Federal Reserve Banks $1-billion worth of government bonds bearing interest (at an average) of 2⅞ per cent.

(3) The Federal Reserve Banks are then permitted to print $1-billion worth of currency against these bonds.

The above paragraphs are not controversial. They constitute a plain statement of a well accepted fact.

PAUSE to consider that the Federal Reserve Banks and their affiliates which, by the way, are privately owned corporations just as truly as are General Motors or United States Steel privately owned corporations, gain 2⅞ per cent interest on the bonds which they received from the United States government. They also gain from 3 to 10 per cent interest on the currency notes printed against the bank which they issue into circulation through the medium of loans.

Thus, originating with the one transaction of lending credit to the United States government in excess of the assets including stocks, real estate and real money which they already own and control, they are legally permitted to charge interest twice.

No one will seriously attempt to deny that statement.

Presupposing that I am a reputable citizen with $10 in my purse, I am accosted by ten of my neighbors, each soliciting a loan of $10 for the purchase of groceries at the neighborhood store.

That I am bankrupt and already owe more to my own creditors than I really have is beside the question. Nevertheless, I write ten different notes to the grocer arranging with him to give each of my ten neighbors $10 worth of groceries.

Each neighbor signs a note to me bearing 5 per cent interest.

At length all my neighbors liquidate their loans to me plus the 5 per cent interest. Thus it eventuates that **I have reaped where I have not sown at least in the case of nine neighbors.**

But more than that, before my neighbors had liquidated their loans to me I used their 10 notes which I held in my possession as backing against which I had printed $100 in currency. Not satisfied with this windfall, I loaned the newly created $100 at 5 per cent to a friend who desired to buy two shares of General Motors stock.

Again I reaped where I had not sown. Under this system I can continue to reap almost ad infinitum.

The above paragraph is in no way an exaggerated concretion of what transpires legally through the operations of the present Federal Reserve Banking System protected by recent laws.

At this juncture, it behooves us to view this entire affair from the standpoint of the taxpayer. The ordinary citizen pays taxes on his food, his clothing, his physical conveniences and his shelter, either directly or indirectly to the Federal government, which government, by the way, has the constitutional right of issuing and regulating its own money.

Having waived this right, and having handed it over through charter and through congressional legislation to the Federal Reserve Banks, the government permits this private corporation to issue both currency and credit money for the nation and then, as taxgatherer, acts as a collecting agency for the Federal Reserve Banks.

SOCIAL JUSTICE contends that privately owned banks must not create money. SOCIAL JUSTICE contends that privately owned banks may lend at interest only that congressionally issued money which it really has, or credit money which is really represented by stocks, real estate or other items of wealth actually owned by the banks themselves.

No other definition of money, to my mind, is sound except the one which says money is the receipt for wealth. To define money on the principle that "it is a medium of exchange substantiated not by wealth but by the honesty or integrity or business acumen of bankers" is a fallacy.

These points are expressed more elaborately in the book **"Money—Questions and Answers,"** which I will be happy to mail free of charge to any of my readers.

II

RELATIVE to the ecclesiastical trafficking in usury, and leaving all personalities aside, one of my clerical correspondents puts the following question to me:

> "On my Bishop's note, I was permitted to borrow upwards of $100,000 to build our parish church. I borrowed it from a bank affiliated with the Federal Reserve System.
>
> "The church is now standing, practically complete. It is real wealth which did not exist a few years ago.
>
> "Therefore, the credit which the bank extended to me is now represented by real wealth which, I admit, did not exist at the time I borrowed the money.
>
> "Meanwhile, my parishioners are liquidating the debt.
>
> "According to your intimation, should that debt be repudiated . . . ?"

Without quoting further from the letter, permit me to make the following observations: Probably, the bank loaned my correspondent credit against real wealth which the bank actually owned. But more probably, it was a fictitious loan as in nine cases out of ten, at least, it must be, according to the methods of operation of the Federal Reserve Banks and their affiliates. The important phase of the transaction rests on the point that the parishioners, probably, are paying to the bankers real money, which they earned by the sweat of their brows, for questionable credit money which was used in the building of the church. Moreover, they are paying, in this case, 5 per cent interest over and above the actual principal.

Of course **repudiation of this type of debt should not enter into ou rminds. The church is erected. The debt should be paid.**

But the viciousness of the entire system which insists that the American people use fictitious or debt money issued by bankers, at least ten times in excess of the actual wealth which they possess or control, constitutes the very heart of the question insofar as it is the right and duty of Congress to issue money tax free into circulation against the wealth of the nation.

By permitting a small group of private individuals to issue questionable credit with an interest tag upon it and to demand that the American public, which executes at least 95 per cent of all its business upon credit money, return real wealth money to this licensed group of private individuals is certainly class legislation.

Are banker more reputable and trustworthy than the other citizens to such a degree that they can issue money not against their wealth but against the solidity of their characters?

Have we come to such a stage when we are forced to assert that our Congressmen are not trustworthy to fulfill this constitutional function at a profit for all the people instead of permitting bankers to perform the said function at a profit only for themselves? If the bankers owning the Federal Reserve System are of such high calibered reputations and if our Congressmen are not to be trusted with the issuance and regulation of money, shall we be forced to the undemocratic conclusion of ridding ourselves of the incubus of Congress thereby foregoing the necessity of retaining the false front of government?

The last question, confessedly, is beside the point. It is only interesting as a parenthetical diversion. The main point goes back to the only qualified and logical definition of money: It must be a receipt for wealth either actual or potential. It may not be a receipt for a man's or a corporation's good character.

The bankers do not accept good character as a basis for loans although they do speak of such items as character loans. Bankers insist, at least in 85 per cent of all instances, in the borrowers' backing up their loans with security. They know the correct definition of money when their ox is being gored.

Until next week further discussion on this "new kind of usury" and its implications will be withheld.

In the following issue, actual letters from interested clergymen will be printed, giving their viewpoints but withholding their identity.

Charles E. Coughlin

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Rearmament Gives Great Britain Responsibility for World Peace

English Will Is Dominant Policy Maker

By Justin Soval

England's rearmament is the most significant development in international relationships since the final, complete collapse of the League of Nations following Italy's successful invasion of Ethiopia.

In one sense it is the fulfilment of recent threats made by British leaders to abandon the brotherhood of nations and make provision to take care of the affairs of empire in her own way.

Considering the colossal armament program in that light, it may be evaluated as a new and major war irritant. The unrest of British statesmen over the past two or three years has been occasioned not nearly so much by the escapades of Hitler as by the growing shadow of the new Roman Empire along the frontiers of British African interests.

Key Is British Will to Peace

England's rearmament, therefore, must inevitably be interpreted as a threat to Facist Italy which, in its remote implications creates new probabilities of armed conflict.

There is another aspect of Britain's growing military and naval power, however, which only the future can reveal insofar as it affects the destiny of the world. That is **England's new and particular responsibility for world peace.**

As the propaganda machines of the empire point the direction of England's foreign policy, it will become clearer to the peoples of the world whether or not the will of Britain's rulers is for peace.

Rearmed England can prevent a European war and thereby a world war. Her new position, which was definitely attained in a much shorter time than the armament of Russia, Germany or Italy required, will enable English statesmen to lay down the uncertain instrumentalities of propaganda and utilize the positive diplomacy of the balance of military and naval power.

Anti-Fascist Attitude Ominous

By the tone of propaganda the world's peoples may read the destiny of Europe and the world.

If, as the army grows in numbers and refinement of arms, and as the navy and air forces expand, British diplomatic policy continues the belligerent accusations against Germany as the blackest aggressor against world peace, the world may expect war.

Such a policy could mean only that the powers which control the British empire have decided to eliminate an old commercial rival under the pretext of destroying Facism and making the world safe for "democracy."

If the civil war in Spain, which is a constant threat to the peace and harmony of Europe, should soon be terminated, England's position would entail an even more definite responsibility for the preservation of world peace.

A hundred sources of potentially uncontrollable nationalistic antagonisms are ever present in the Spanish conflict. Until this strangest of all wars is finally concluded, the British cabinet, if they should have an object in precipitating a European war, might find even as plausible a justification for participation as they did in the World war.

German Menace Only a Fiction

The cessation of the Spanish hostilities, regardless of the outcome, would clarify European relations to such an extent that a war move to destroy Fascist influence would necessarily involve a more or less discernible build-up in that direction.

Once the complex tangle of nationalistic interests and counter-interests which surrounds Spain's travail has been cut, war-guilt, in the event of a major war, must attach demonstrability to the alliance of nations which takes the aggressive position.

The fiction of the international villainy of Germany and her power to override the great "democracies" of the world—even were she allied with all the so-called autocracies on the face of the earth—must fade into an absurdity in the face of a rearmed England.

To Germany, once England has girded up her loins for war, war would mean only swift self-destruction.

England Taps Rich Resources

England has the resources of a far flung world empire from which she can draw all the materials, supplies and men to meet indefinitely the demands of war.

Germany is hemmed in by hostile and highly militarized enemies. She has no colonies; she lacks, in an absolutely fatal degree, many of the indispensibles for war.

England has vast credit resources, enhanced to an extent that cannot be estimated by the shipment of gold to the United States—at 100% profit—and by the gleaming of British operations on the American stock market.

In addition to these known sources of what it takes to equip armies and navies and back them during war, no one knows to what extent the British empire has profited by the use to which Secretary of the Treasury Morgenthau has put the $2-billion stabilization fund.

Fascist Powers Poor in Comparison

Has he kept the gold gained, at the expense of the American people, by the revaluation which increased its price to $35 an ounce? Has he made it the basis of $20-billions of credit, according to the long standing formula of capitalistic banking? If he has, to what extent has the British empire benefited by the manipulation of the gigantic credit fund of $20-billions?

No one, outside the New Deal and the circle of its foreign beneficiaries, knows. A supine Congress made the secret operation of that mystic fund "legal."

The fact is that by hook or crook Britain has been able to launch a record-breaking armament program and still maintain the policy of a balanced budget.

Germany, on the other hand, is an impoverished nation and, for her supply of international credit, actually dependent upon England and the great "democracies" of the world.

Italy is just as poor as Germany, if not as confined. The Fascist nations can no longer plunge the world into war. Such propaganda can no longer serve any purpose but an ulterior one.

Will the publicity mills of England and her allies maintain that exploded fiction, or will England use her new military and naval power as the balance for peace at any price?

The future will reveal what is behind British rearmament. The present imposes upon her the primary responsibility for shielding civilization from the disintegration which would inevitably follow another world war.

THIS WEEK IN THE WORLD

"Godless Express" To Spread Atheism

RIGA, LATVIA.—The Eastern and Western Siberian Atheist Leagues have announced their intention to commemorate the 20th anniversary of the Soviet revolution in November by the organizing of a train that is to be named the "Godless Express." The train is to be equipped with motion picture equipment, seating accommodations for 200 spectators, as well as its own printing presses for the dissemination of atheistical literature. There is an old story that on the beams of the ill-fated "unsinkable" Steamship Titanic that sunk on its maiden trip when it struck an iceberg was inscribed the words "There is no God."

Labor Unrest Japanese Problem

TOKIO, JAPAN.—The labor unrest that is seething in Japan has recently manifested itself in some 704 labor disputes involving 100,000 workers. The most serious is the threatened transportation strike that would virtually paralyze all transportation agencies. Coupled with this is the threat of all employes of the empire's postal, telegraph and telephone services to go out on strike. Communication and transportation employes are striking for a 30 per cent wage increase and better conditions. Another factor in the unrest is the rising cost of living, together with the unusual prosperity of those engaged in the munition industries. The 704 disputes have expressed themselves in the occidental sit-down, slow-down and just plain walkout.

Brazil Sends Reds to Prison

RIO DE JANEIRO, BRAZIL.—An echo of the 1936 revolt of Communists to upset the Brazilian government was enacted a week ago when 35 leaders were sentenced to serve prison terms ranging up to 27 years. Most of the men were former army officers who were bribed by the Communistic leaders to rebel against the established authority. Among those sentenced were Carlos Prestes, Communist leader and Arthur E. Ewart, another. Prestes got 16 years and Ewart 13 years. Ewart had forged United States naturalization papers to enter Brazil. Some 230 persons were brought to trial although not all were convicted. The leaders will serve their time in the lonely Matto Grosso penal colony.

All Germany Mourns Zeppelin

BERLIN, GERMANY. — News of the destruction of the giant zeppelin Hindenburg plunged all Germany into sorrow. The general reaction was that Germany had suffered a national calamity. Press comment stated that Germany would not be deterred from maintaining its leadership in lighter-than-air navigation.

Somebody Is Arming In America; Sale of Guns Triples in Year

Someone is arming in America.

The sale of firearms and shells to private citizens in February of this year **tripled the sales for the same items in 1936.**

The sale of pistols and shells for the same month was **25 per cent greater than the volume 12 months before.**

Now, it may be that these articles of destruction are moving out of the country to the armies in the Spanish civil war. In that case the neutrality act is being violated.

On the other hand, if individuals or organizations are storing the arms and ammunition, the matter is a serious one that ought to be thoroughly investigated.

Matter for Inquiry

We respectfully refer the problem to the attention of Attorney General Cummings with the recommendation that he take time out from his activities to put over the president's Supreme Court bill and attend to the job he is paid to perform—the maintenance of law and order in the nation.

If the attorney general will look at the record of government revenue for the month of February, he will find the following amounts of taxes were collected on destructive articles of trade.

Bureau of Internal Revenue

	Feb., 1936	Feb., 1937
Firearms and shells	**$74,242.29**	**$212.691.53**
Pistols and Revolvers	**5,662.47**	**7,369.44**

Private Arms Taxed

Since government purchases of arms are not subject to tax, the above figures have to do only with private sales.

When the monthly tax revenue on firearms and shells, therefore, increases from $74,242.29 to $212,691.53, it means private citizens or organizations have **three times as many of those items in their possession as they did a year ago.**

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Farm Committee Stages Sit-Down

Senate Asks Real Aid for Agriculture

By the Farm Editor of SOCIAL JUSTICE

The administration would rather you didn't hear about it, but the Senate committee on agriculture is staging a sit-down strike against the president and Secretary Wallace.

The committee has kicked over the traces and has served notice that it will refuse to function in a business-like way until the New Deal gives it some farm bills worthy of consideration.

Insiders are chuckling with amusement, because the members of the committee are mostly party regulars who are accustomed not to "reason why" when they get orders from the White House.

Resent "Politics" in Farm Crisis

But the legislation Wallace tendered them to whip into shape, amendments mostly, was more than they could endure. They revolted en bloc, refused to give even cursory consideration to the Wallace proposals, and told the secretary and Mr. Roosevelt in effect:

"The pro-New Deal farm representatives upon whom you have depended for guidance in drafting new legislation are not the true voice of agriculture, and therefore we refuse to do anything about the measures which you and they have proposed.

"We protest the injection of politics into the farm situation at a time when millions of farmers are destitute. Go out and advise with some farm leaders who are sincerely interested in the problems facing agriculture, and whose views aren't warped by politics, and we'll cooperate with you."

Roosevelt Calls Leaders to Parley

Those weren't the exact words used, of course, but they convey the tone of the representations made to the president by Chairman Ellison Smith of the committee.

The language employed was sufficiently forceful, anyhow, to make Messrs. Roosevelt and Wallace send out word to leaders, both enemies and friends of the New Deal, in farm states to come to Washington for a round-table discussion. The conference will begin any day now and out of it is expected to come a program acceptable to farm congressmen.

Purchase for Relief Replaces Destruction

The Triple A recently came to the aid of dairy manufacturers by purchasing 2,121,850 pounds of dry skim milk and 112,000 cases of evaporated milk. The produce was turned over to the Surplus Commodities Corporation for relief distribution to the states. If it was proper to buy milk to give away, there would have been no less propriety in buying surplus wheat, and storing it for a time of greater need, instead of the destructive plowing under of all crops which were not needed for immediate consumption in order to produce a "profitable" scarcity.

FARM FANFARE

WASHINGTON, D. C.—The Department of Agriculture economists have estimated that the imports of foreign corn from September to June 30, will have exceeded 50-million bushels, an all-time record. Imports for the seven months ending with March, 30, of this year, totaled 31,218,-520 bushels, most of which was shipped to American farmers for fattening livestock. It is estimated that foreign exporters will realize a profit of $20-million from their customers in the United States for the full year.

MEMPHIS, TENN.—At their annual session, 500 cotton dealers considered the loss of foreign trade to be one of the major problems confronting the cotton industry. Improvement of the cotton crop was discussed as a means of recovering some of the foreign cotton markets lost by the South during the curtailment of production by the A. A. A. Education programs to improve the grade and staple of cotton are needed, it was found.

WASHINGTON, D. C. — Although March reports show an increase of farm income, the national farm income is $22-million less than it was in March, 1929. The March income for the nation was $707-million, or $187-million more than March, 1936. The income includes $596-million from farm marketings and $111-million in government payments for agricultural conservation activities. The 1929 approach, however, has no particular appeal to farmers who felt the depression long before city folk, and who had no share in the 1929 profits of big business.

WASHINGTON, D. C. — Retail food costs are now at their highest level in the last six years. Agricultural department economists say that the trend will continue upward in May and remain above last year's level. Food supplies are not as great, and food costs are 7 per cent higher than last year. Eggs, the single exception, have taken a slight downward trend on the price list.

Anthony Hall, who claims descent from Anne Boleyn and King Henry VIII, is not worried about the coronation nor the reign of King George VI, but the Tudor pretender to England's throne, is convinced that the Bank of England is a legalized racket.

"I'll get the Bank of England even if they put me in jail for it, because its charter is invalid," he told the press.

Potato Prices Fail to Have Predicted Rise

A bulletin issued about March 1 by one of Secretary Wallace's young aides has cost American potato farmers thousands of dollars.

The bulletin was a regular crop estimates forecast, such as are released from time to time by the Bureau of Economics of the Department of Agriculture.

The "expert" who compiled it predicted, among other things, that the price of potatoes was due for a sharp rise about the middle of April. Potato raisers took the prophecy at its face value and refused to sell their output in anticipation of the rising market.

But instead of the promised price increase, there was a steady decline until the farmers found themselves on April 15, with large surpluses of potatoes on their hands and the price down 40 per cent.

"Massa's in De Cold, Cold Groun'!"

HERE LIES THE SOUTH'S WORLD COTTON MARKET — KILLED WHILE PLOWING UP THE THIRD ROW
THE SOUTH
WORLD COTTON MARKET CAPTURED BY BRAZIL, EGYPT AND INDIA WHILE AMERICA DESTROYED ITS COTTON CROPS
ORR
COPYRIGHT 1937 CHICAGO TRIBUNE.

—Orr in the Chicago Tribune.

Grain Chief Talks Court to Farmers

President's Roosevelt's original reason for wanting to pack the Supreme Court was because it was too old-fashioned, too prejudiced, too much of a horse-and-buggy affair.

Came the Wagner Act decisions and the president and his advisers had to concoct a new excuse to poison the minds of the public against the court.

The new reason, as announced by Attorney General Homer S. Cummings, is that the nine justices are no longer "predictable." What the attorney general means is that the court, as now constituted, cannot be depended upon to approve radical farm and labor legislation which the president plans to enact.

The president's intentions to direct Congress to pass another NRA and another AAA once the court is changed are conceded by everybody conversant with the court situation. If Mr. Roosevelt wasn't bent on a headlong course in this direction, there would be no necessity for changing the court.

Farmers have already been warned what to expect by M. W. Thatcher, who is talking up the president's plan in the agricultural regions. Mr. Thatcher, an official of the Farmers' National Grain Corp., spent 40 minutes with the chief executive before he went forth to spread this gospel.

Then he declared in one of his speeches:

"In the face of the adverse decision of the Supreme Court in the A.A.A. case, they (the farmers) again demanded federal control of agriculture and they mean to have it."

Those are pretty strong words. The majority of farmers, who were regimented and bankrupted of their crops under the old A.A.A., were probably surprised to learn that they are in favor of another crop control program.

Mr. Thatcher, by the way, is reported to be in line for the general managership of the proposed new Federal Crop Insurance Board as an "emolument" for his speech-making.

CORRECTION

In the edition of May 10 SOCIAL JUSTICE stated erroneously that Congress had extended the 3½ per cent interest rate on farm land bank mortgages.

At the time the story was written the extension bill had not been passed, but was on the calendar of the house of representatives after a favorable report by house agricultural committee. As approved by the committee, the bill carries the added provision that the interest rate on land bank commissioner's loans be reduced from 5 to 4 per cent.

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The People Speak....

What Do They Seek At White House?

To the Editor:

From time to time the press makes mention of the visits of Walter Runciman, a representative of the British Board of Trade, to the United States, for the purpose of holding secret consultations with the president of the United States. His comings and goings are noted, but nothing is said of his official status, or the subject matter under discussion.

To the average American, the term, "board of trade" is rather innocuous—synonymous with "chamber of Commerce" or "merchants' association," and imports nothing more than a grouping of merchants for their mutual advantage and to protect themselves against credit losses and unfair competition.

So when the American reads about the trips of Mr. Runciman from London to Washington and back again, he assumes that the British are just getting up another yacht race to advertise Lipton's tea or someone else's bacon.

The British Board of Trade is a part of the British ministry; it is a portion of the governmental machinery of the corporative state controlled by the Bank of England which masks itself behind the term, "the crown."

While the press of England screams of the Fascism of Mussolini in Italy, it remains silent as the tomb when the real masters of English policy have a job to do. The Federation of British Industries speaks through Mr. Runciman on the ministry of the British Empire, and that is no mere chamber of commerce. The ministry is the counterpart of the Fascist Grand Council of Italy.

What do they want—at the White House?

—M. A. M.

San Francisco, Calif.

Propaganda Lays Ground for New War

To the Editor:

I have read with pleasure the letter from Mr. Joseph Douglas in SOCIAL JUSTICE for May 3, but I want to add a few more lines to this subject.

During the World war, the Jews with their propaganda (always instigating revolutionary elements through the Bolsheviks and the I. W. W.) tried to bring the United States in the World war against Russia. (Not for the interest of America, but for their invented persecution of the Jews in Russia.) Not having succeeded at that, they used different means of propagandizing to the Russian masses, telling them to make a revolution which when over they would divide the land of the rich among themselves. After the revolution was won by them, they did not obtain the land because the state intervened—demanded the land and took it. (But who is the state?—They are.)

Now, after 20 years from the last war, they come more powerful with the same propaganda (by use of moving pictures and the daily press), with much greater wealth, trying to push the United States into another war—this time with Germany. If we do not stop them, our children are going to be fighting in another war—not to defend American independence, but to help them to finish their conquest of the world.

—G. M.

Chicago, Ill.

Too Many Sets Of New Teeth

To the Editor:

The president asks that the Sherman Anti-Trust law be changed "to give it teeth." I am always afraid of an administration that wants to amend amendments. They may give it "false teeth."

All his efforts through N. R. A. have been to strengthen the trusts, and so worded as to allow them to violate the law in obedience to these laws. Now he asks for teeth because of high prices. Would he be trying to pass the buck again?

—A. M. F.

Milwaukee, Wis.

Writer Attacks Labor Leadership

To the People:

So far the organized and other workers have been suspicious of so-called labor leaders, and well they may be. They are in the front seat and can see and hear better. But while in the front row of the drama, they may clap all they wish, hiss if not too bold. But woe be unto the one who would interrupt the actors. The ushers will take care of him.

I have in mind the labor leaders who have finished up after years of leading, with the rank and file left on the ash can. We do not have to turn from the record to use the new Tennessee Senator, George Berry, as an example. The press tells us that he is sitting pretty as a dough-landlord, politico-businessman, labor-capitalist, and the best two-in-one employe-employer. No wonder that he was made a member of the millionaires' club!

He will fit in very nicely with the Congress members, told to "vote right" to keep the workers "sitting on duck eggs."

Laborers must rid their organizations of these selfish leaders or they will fall into a bottomless pit. To obtain this will require the aid of some outside help or some form of auxiliary, as the "leaders" have the situation in the bag.

For myself, I am reconciled to the present conditions. But I pity the children, the blameless creatures that may be cast on the earth to be tormented by a condition which you and I should correct.

—Peter O'Reilly.

Chicago, Ill.

Forced Into Union Against Will

To the Editor:

In Philadelphia, as also in other parts of the country, organizers of labor unions and agitators are breaking into and scuttling mills and plants for failing to organize and recognize unions. It doesn't matter if these mills or plants were paying good wages and had good working conditions—they must join up with the union. Failure to recognize this means destruction. These organizers and strikers also believe in doing bodily harm, cracking skulls for any person who does not agree to join their union. If arrested for assault and battery, they are soon let go by the police. Reasons unknown!

But if some poor unemployed individual, humbles himself to pick up rags and papers from ash cans on garbage day in order to earn a few pennies to buy something to eat, he is arrested as a criminal.

There was a time when there was freedom of speech, but that has been stifled. And now one is even kept *from thinking—for that is really* what happens when a person does not want to join the union. If you do not think as the organizers of unions do, they strong-arm you into their way of thinking.

If the truth were known, more than half of our people who joined unions in the past year went into *these unions against their will.*

But what can you expect when men in public office, from mayors of cities, and governors, even to the president, do not even pay any attention to what is going on? They even believe in giving these agitators and law-breakers police protection. If our men in public office were sincere, they would investigate this national disgrace and sentence all those found guilty (regardless of position or wealth).

—Harold Ott.

Philadelphia, Pa.

Labor Unions No Better Than Their Membership

Editor SOCIAL JUSTICE:

A couple letters from supposed members of labor unions in the issue of May 3 are to me very amusing, as they would be to any person who has been connected with the Typographical Union.

If there are a lot of things wrong with the unions these men profess to be affiliated with, why is it they cry to SOCIAL JUSTICE so loudly?

It would be a lot more effective if they were to attend the meetings of their unions and continually fight to overcome the real or fancied faults they find.

What's more, if they are Catholics, they should be at those meetings. They should know something about the Church's stand on the economic question, and study a little occasionally so as to be able to hold their own in an argument.

Also, both writers speak as though they were members of some of the new labor organizations sweeping the Middle West and the East at the moment, and they expect to obtain the same smooth functioning organization in 90 days that took other labor bodies years and years to build.

Typo Union Members Informed

If these crying and lazy Catholics would take an active part in their labor unions, they would be able to, if they were honest and sincere, accomplish many reforms they think necessary.

My own organization, of which I am proud, has no trouble in keeping its members advised as to where and for what their money is spent. A full account of the finances is contained in the Typographical Journal, published monthly, giving receipt and expenses from all sources. But this is done only because our membership is intensely curious as to the conduct of their union.

As to the high-salaried labor leaders—possibly some of them are well-paid and some may get more than they deserve. But, again, the responsibility rests on the shoulders of the members of that union for permitting that condition.

On the other side, however, I wonder how many of "the squawkers" have the mental equipment to stand the gaff of these jobs? Many of these men are constantly on the road, working day and night, meeting with groups of workers, arguing with corporation executives and attorneys who are paid many times the salaries these labor representatives draw. And please remember, these representatives must have sharp wits at all times in order to see the play far enough ahead so as not to be led into an embarrassing position.

Labor Leader Has No Sinecure

I have had the pleasure of meeting several of these leaders and I wouldn't trade my journeyman's job even up any day in the week for theirs. I have, at times, worked in an official capacity, both part and full-time, in the labor movement, and if there is a nerve-wracking job on the face of the earth, it is that of the labor official. He has his membership on one side and the employers on the other, and must keep some semblance of peace between the two.

As a final admonition to the critics: The place to rectify the shortcomings of your labor unions is at the ballot box and on the floor of your local meetings, and not in some poolroom or beer parlor, or a back-clapping session in the washroom at the plant.

If all Catholics would do this, the danger of Communist control of labor groups could easily be reduced about 80 per cent.

And don't pull that one about being a Catholic being used against you when on the ballot for office. If you are sincere and active, that is all a vast majority in the union movement care for. At least, I haven't found it any bar in the Northwest among the people I know—and I can name several of them.

Union No Better Than Membership

A labor union is the same as any other group — it reflects the true mentality of the members thereof and is no better than the people who belong to it.

It should also be possible to give a resume of the living conditions of these highly paid officials to which little thought is given. On the road night and day, working day and night, strange beds every night if they get to bed at all, strange restaurants, trying to hold mobs in check, attempting to wrangle a little increase in wages from employers, trying to better living conditions on the job for his members, installing new unions and attempting to get responsible men as local officers, trying to find a not-too-biased person to act as odd man in arbitration cases, adjusting grievances which the local union has found itself unable to do, advising and assisting local unions in contract and scale negotiations.

If he is a married man, he may get home occasionally to his family. I have one in mind here in the Northwest who was on the road for four months and never saw his family once in that time, and could name others who are on the road for long periods.

Then there is the local official: he has a snap, of course, in comparison with the others. He gets a little more, maybe, than the journeyman at the trade. Works all day, and spends the evenings attending meetings and conferences. By the time he gets through meeting the increase in his personal expenses, he has about the same left as the man on the job. Of course, there are some who draw larger salaries, but the members voted those salaries.

H. M. Ross,
Tacoma Typographical Union, 170.
Tacoma, Wash.

Philadelphia Club Promotes Paper, Gives Out Free Copies

The Honor Club of East Germantown, Philadelphia, has undertaken a plan of paying a boy 5 cents for delivering 10 copies of SOCIAL JUSTICE free to ten homes in its neighborhood for a period of three weeks. After the third free copy, the boy calls upon the residents and solicits them for regular readers, either by subscription or weekly delivery.

"We intend to continue these three week periods of free copies until we have covered the entire neighborhood," the club member writes. "As our membership increases we will increase the number of free papers.

"The results so far are good. The boy is happy to earn the extra money and the club members are starting to shake off that weedy feeling.

James F. X. Coyle, vice-pres., **Martin Carroll**, secretary."

"The Crusaders for Social Justice" have headquarters at 416 Onderdonk avenue, Ridgewood, New York. Joseph A. Kump is president.

Form Society For Monetary Reform

The Society for Monetary Reform of Astoria, L. I., was organized by former members of the National Union who desired to carry on their work for the 16 principles, especially those concerned with returning the coinage of money and its regulation to the people. Late in April the club held a party for the benefit of the fall radio broadcasts of Father Coughlin. The group is also planning a drive in the state of New York to secure 50,000 signatures to a petition to congressmen to work for an honest money system.

Former members of the National Union in Irvington, N. J., have formed the Citizens' Civic Association for Social Justice. Mr. Ernest Hawkins has been elected president, and Mr. William Hammel is in charge of the programs of instruction in social justice principles.

Saint Paul, Minn., subscribers of SOCIAL JUSTICE have taken a hand to help their fellow citizens who are financially unable to subscribe to the paper. They gave a party to raise funds, which money was sent to SOCIAL JUSTICE for subscriptions for a number of Saint Paul residents. Mrs. P. J. Doody and Jane B. Mulligan have asked SOCIAL JUSTICE to thank all the loyal Minnesotans who helped by their participation, to make the benefit party a success.

Social Justice Friendship Club

The Social Justice Friendship Club of Cambridge, Mass., sponsored a penny sale to raise funds for the fall broadcasts of Father Coughlin, at the home of Mrs. A. V. Morin, treasurer of the club. Mr. Paul Touchette is president of the club.

Proceeds of the party planned for June 4 in Cleveland, will be sent to SOCIAL JUSTICE to help defray expenses of the fall broadcasting. The benefit is being sponsored by the South End Social Justice Club and will be held at St. John's Nepomucene Hall.

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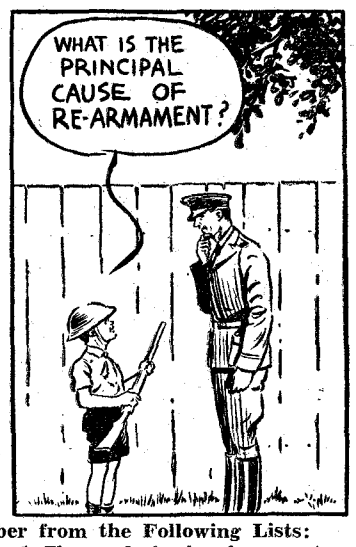
It's The Home Stretch! Enter Now

QUESTIONS FOR THIS WEEK

Picture No. 47

Picture No. 48



Make Your Selection by Number from the Following Lists:

1. Because of the apathy of the people towards their liberties under the Constitution.
2. Because of the unAmerican tendencies of politicians.
3. Because of the loss of foreign trade.
4. Because of the destruction of wealth in order to maintain high prices.
5. Because of popular neglect of Christian principles of life.
6. Because of a dishonest money system.
7. Because of increased solidarity of of American labor.
8. Because of a surfeit of governmental bureaucracy.
9. Because of an overpowering Russian influence.
10. Because the United States is not on a gold standard.

1. The greed of rulers for more territory.
2. The greed of rulers for greater power.
3. The natural love of war in the hearts of men.
4. The lack of a Christian ideal among the nations.
5. The ability of world financiers to force rulers into war.
6. The advance of Communism.
7. The advance of Fascism.
8. The desire of peoples to maintain an international balance of strength.
9. The need of oil for its own sake.
10. The need of gold for its own sake.

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 47 For Question No. 47 I Select Answer No..... ☐ No. 48 For Question No. 48 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

AN EXTRA COUPON FOR A FRIEND OR RELATION

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 47 For Question No. 47 I Select Answer No..... ☐ No. 48 For Question No. 48 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

or Pass Up Great Contest Chance

The great "KNOW SOCIAL JUSTICE" Contest closes next week.

In our issue of June 7 the last pair of picture-questions will appear. Thus will come to an end an educational competition acclaimed over the continent.

IN NEXT WEEK'S ISSUE—ALL 50 PICTURE-QUESTIONS WILL BE REPRINTED!

This will be positively your LAST CHANCE to enter—but there still remains for you that one LAST CHANCE.

The Grand Prize of $2,500.00 can STILL be won by YOU—if you take your last chance to enter!

The Second Prize of $1,000 and your choice of a Ford, Plymouth or Chevrolet sedan can STILL be won by YOU—if you act at the eleventh hour.

The Third Prize of $400.00 and the choice of a Ford, Plymouth or Chevrolet sedan can STILL be YOURS — if you avail yourself of this final opportunity.

And also 365 additional awards in cash.

Next week — June 7 — will bring the "zero hour" in this famous test of social justice knowledge.

More than $7,000.00 worth of awards await the final judging.

Next week will bring to you the LAST CALL. Don't miss it.

Address: "Contest Editor"
SOCIAL JUSTICE
Royal Oak,
Mich.

Rules of Contest

1. Open to all readers of **SOCIAL JUSTICE**, except employees of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, December 21, 1936. Each picture contains a question concerning the principles of social justice laid down by Father Coughlin.
3. A Grand Prize of $2,500 will be awarded to the reader of **SOCIAL JUSTICE** returning the best or most appropriate answers to the questions appearing in all 50 pictures and otherwise complying with these rules. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly coupon. The remittance of 10 cents in coin each week is in payment for Father Coughlin's book, **"Money: Questions and Answers."** Purchase of this book is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late. By entering the contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties aditional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do **NOT** decorate coupons. Neatness will not count.
8. Any inquiry the reply to which could not affect outcome of contest will be acknowledged.
9. A contestant may send in any number of sets of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set will be entitled to one book for each set submitted.

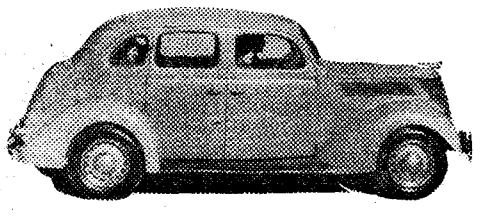
368 WILL WIN
Grand Prize $2,500

SECOND PRIZE **$1,000.00**
And the Choice of Ford, Plymouth or Chevrolet Sedan

THIRD PRIZE **$400.00**
And the Choice of Ford, Plymouth or Chevrolet Sedan

FOURTH PRIZE **$100.00**

Four Prizes of $50.00 Each
100 Prizes of $10.00 Each
260 Prizes of $5.00 Each



Two of three handsome sedans—Ford, Plymouth or Chevrolet—will be forwarded within a few weeks to two readers of SOCIAL JUSTICE who will have been adjudged winners of the Second and Third Prizes. Together with the cars will go $1,000.00 to the winner of the Second Prize and $400.00 to the winner of the Third Prize.

There is STILL TIME for you to become the owner of one of these handsome models—PLUS CASH. There is STILL TIME—if you make certain to lay hands on your issue of SOCIAL JUSTICE next week—June 7—in which all 50 picture-questions will appear.

"The Echo" Again to Lead Buffalo's Tour to Shrine

For a number of years The Echo, a Catholic newspaper, has conducted tours to the Shrine of the Little Flower in Royal Oak, Mich.

We have received the information that arrangements have already been made by the manager of the paper to lead another group of visitors to the Shrine on Sunday, June 20.

Anyone interested in joining this group should contact Mr. Joseph M. Schifferli, manager of The Echo at 564 Dodge street, Buffalo, N. Y.

Sundays at Shrine

June 20 — Western New York, including Buffalo, Syracuse, Albany
July 4 — New England States
July 18 — Pennsylvania, New York, New Jersey, and Cincinnati
July 25 — Chicago, Indiana, St. Louis, Kansas City
August 8—Cleveland and Toledo.
August 15 — Maryland, Virginia and Washington, D. C.
August 22 — Michigan, Minnesota, Wisconsin,
September 5 — National Day. (For all.)

New England Tour Over July Fourth

New England Day will be celebrated at Royal Oak on July 4, and the Boston and Maine railroad, in connection with the New York Centrail railroad, will sponsor a pilgrimage to the Shrine of the Little Flower. This tour will combine both a one-way and round-trip boat trip across Lake Erie from Buffalo to Detroit.

Mr. C. T. Kelley, who handled transportation details for the New England delegation to the Cleveland convention is again taking personal charge of the rail tour for New England's Shrine pilgrimage, which will not only be economical but comfortable, with plenty of fun for all.

Mr. Kelley will gladly forward a tentative itinerary outlining three different tours if you will write or call at his office, located in the Travel Bureau, North Station, Boston, Mass.

This should be one of the finest groups visiting Royal Oak in one body and from present reports should be one of the largest. Information about the different tours can be obtained by sending coupon printed below.

Tour No. 1 is $23.50—Round Trip.

Tour No. 2 is $27.50—Round Trip.

Tour No. 3 is $29.50—Round Trip.

Mr. Chris. T. Kelley, T.P.A.
Boston & Main Railroad
Travel Bureau, North Station
Boston, Mass.

Dear Sir:

I am planning to make the above pilgrimage to Detroit and prefer Tour No....., as outlined above. There will be..... in my party. I understand this is for information purposes and there is no obligation to me.

NAME.....

ADDRESS.....

.....

TELEPHONE.....

Philadelphia, Pennsylvania
Official Tour
to Shrine of the Little Flower
July 18, 1937
Low Fare, Only $14 Round Trip

Reservations Limited — Make Application Now

Baltimore & Ohio Railroad
Broad and Walnut Sts., Philadelphia

Please make reservation for ( ) on your special train to Shrine of the Little Flower, Royal Oak, Mich.

Name.....

Address.....

City.....

Mail this coupon immediately
Baltimore & Ohio Railroad
City Passenger Ticket Office
Broad and Walnut Sts., Philadelphia

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Materials, Machine Power, Men--Stopped by Bankers

What is the trouble with America today? We have the men. We have the machine power. We have the raw materials to make up into finished goods. All that is needed by the mass of people today is **the monetary means to make our industries hum at full capacity.** They do not lack the physical means. **They do not lack the real wealth. They only lack the monetary symbols to match and to actuate that real wealth.** Only if we can so organize our money and credit system as to reflect the physical facts of our existence as an industrial and agricultural people, can we achieve real recovery.

The Trouble Defined

Simply stated, the trouble is that there is a shortage of money, the common denominator under our system, of all other things. Why? Because the Federal Reserve System has absolute power over the finances of this nation. What is wrong with the Federal Reserve System? The Farmer's Exchange gives the following six major indictments of our money system:

1. It is wrong for the bank to issue of the money of the United States—the Federal Reserve Banks—to be the private property of private banking interests.

2. It is wrong for our government to have to pay interests on its own credit.

3. It is wrong for the American people to have to borrow into circulation the money they need to carry on their business.

4. It is wrong for one kind of business—about 75 per cent of the big banks and financial houses—to be able to force the government to print money for their use and back it with the government's credit when other kinds of businessmen cannot do the same thing. This has led to financial and industrial monopoly.

No More Depressions

5. The 12 Federal Reserve Banks were created to stop booms and depressions; they intended to pay all surplus earnings into the Treasury of the United States; they were supposed to pay interest for the use of government-issued and government-backed money; they were supposed to prevent the growth of financial monopolies in this country.

6. The facts are, however, (a) That the worst depressions in our history have occurred since the passage of the Federal Reserve Act in 1913, and that it is at least an open question whether the Federal Reserve Board is at present in a position to prevent another and yet more violent depression; (b) that the 12 Federal Reserve Banks have only paid about $150-million into the United States Treasury in all their history, and that by the Banking Act of 1933, the franchise-tax requirement that surplus earnings be paid into the Treasury was repealed outright; (c) that the original provision empowering the Federal Reserve Board to charge interest to the private Federal Reserve Banks for the use of the government's credit has never been carried out, and through all these years, the banks have never paid any interest on the Federal Reserve notes issued for their use; (d) that whatever else may be claimed for our present financial policies, certainly they have permitted a steady growth of financial monopoly, until today 75 great financial houses control half the assets of all the 15,000 banks in America and are reaching out to control our industries as well. The small corner bank is helpless before these great aggregations of capital, and is disappearing from our economic scene.

Taxes! Taxes! Taxes!

—Talburt in the Pittsburgh Press.

A recent study by the Northwestern National Life Insurance Company, shows that $18 a week laborer or clerk who owns no property pays $116 a year in hidden taxes in goods and services. This figures about 12 cents for taxes out of every dollar he earns.

The $150 a month mechanic or clerk, who is able to buy a used car, pays a hidden tax of $229 a year. Out of every dollar paid for rent 25.3 cents go for taxes. Of the $52-billions paid out for purchases of goods and services in 1936, about 8-billion is hidden taxes.

Yet, according to one of the government agencies, 5-million federal, state, and local officials are exempt from one or the other of the Federal and State income tax, and in some cases were exempt from both. **These five million are more than the number of private citizens throughout the nation who make income tax returns.**

There is no good reason in the world for an official who may be receiving a salary of anywhere from $10,000 to $25,000 to be exempted while some ordinary citizen who may be fortunate enough to be earning $3,000 or $4,000 or $5,000 must pay.

Searchlight on the Money Changers

NEW YORK, N. Y. — Harry L. Hopkins, Works Progress Administrator, speaking before the Teachers College of Columbia University disregarded a 13-page prepared speech on the W. P. A. educational program and gave some administration ideas on politics and economics.

Hopkins

Foremost, perhaps, was his assertion that any attempt to balance the budget "could only come out of the hides of the working people." That was a very true statement. The bankers from whom the government borrows fictitious money create it by a fountain pen, but the people pay it back with the earnings of the sweat of their brow.

Mr. Hopkins estimated that there are at least eight or nine millions unemployed today in America and there is a certainty of a permanent list of four or five million.

Hopkins also made the statement: "When any one cannot share in the national income by receiving wages, clipping coupons or collecting rent, they have a right to share in it through some other sources or some other benefits." In other words, the people have the right to walk up to the government, knock on the doors, and say: "We are not getting any of the national income and we want some." Mr. Hopkins puts the late Senator Huey Long in the shade when it comes to sharing the wealth! At least in words.

Another amazing statement Mr. Hopkins made: "This present economic system can produce enough to provide a decent living standard for all and to abolish poverty. Until this is accomplished, no one can claim that the United States is a democracy."

If the present system can produce enough for all, why did the administration plow under the cotton of the nation, kill millions of pigs, restrict production wherever they could, when people were starving for food and naked for want of clothing? Is that the way to abolish poverty and give more to those who have less? We wonder why the administration doesn't accept an honest money system. There can never be a decent living standard under a dishonest money system. The amount of money in circulation is $49.39 per capita. Does this provide a decent living for every man, woman and child?

WASHINGTON, D. C.—According to a recent survey by the United States News, the discretionary appropriations by Congress from 1789 to 1933, covering the 30 administrations amounted to only $1,687,000,000. On the other hand from 1933 to 1937, the Roosevelt Administration has had appropriated for spending at its own discretion $15,428,000,000. We wonder in view of the fact that Mr. Roosevelt has had approximately nine times as much money to spend at his own discretion as the 30 previous administrations if the country is nine times better than ever before.

U.S. Government Has Power to Maintain Monetary Policy

Stable Money Would Bring Greater Production and End Of Depressions and Booms

By Hon. Robert L. Owen

This article is the first in a series which SOCIAL JUSTICE will present, written by Hon. Robert L. Owen, former chairman of the United States Senate Committee on Banking and Currency.

What is the monetary policy of the United States?

At present it has none.

The Constitution directs Congress to coin, create, and issue money and regulate the value thereof. Congress has failed to do so, leaving to the privately-owned banks the power to expand the contract demand bank deposits and check money without public control. The banks have no political responsibility and no method or plan of co-operation in regulating the value of money.

When they feel confident, they expand the money supply too much through loans. When they lose confidence, they contract the money supply by contracting loans to excess. They create inflation and booms and they create violent contraction of credit panics and depressions. Every decade this happens and business men cannot forecast their future in contracts, in production, in building, with any dependable security.

We Have Duty To Prevent Crashes

In the last depression 15-million people were thrown out of employment. We have an increase of our net adult population of about 1,200,000 a year to compete with the unemployed. **The United States government alone has the constitutional duty, political power and financial ability to establish and maintain a monetary policy. Through a sound monetary policy, we can prevent booms and depressions.**

We can achieve a production more than twice as great as at present. Our production machinery and unemployed labor could produce 150-billion a year instead of 60-billion as at present.

Loeb's chart of plenty (with 60 experts) fully demonstrates this truth under a sound monetary policy.

The United States government would restore the value of property, would increase the wages and the purchasing power of wages, would double production and double the average income of persons, corporations and of all units of government: county, city, state and federal.

A sound monetary policy pledging stable money, stable property, stable wages and inventories, and a maximum production would be a Godsend for rich and poor alike, would end unemployment, abate the great public and private charity now needed and would set an example to the whole world. It would abolish poverty, end social discontent and balance all budgets and make war preventable.

The Senate and the House of Representatives are now giving serious consideration to a monetary policy for the nation.

Congress Should Declare Policy

The monetary policy of the United States should be a formal declaration by statute law passed by the Congress, declaring it to be the duty of Congress to regulate the value of money; to regulate the supply of money; to create sufficient money to exchange, at maximum production, the goods and services of the people; to prevent booms and depressions by stabilizing the purchasing and debt-paying powers of money; to protect the purchasing power of bank deposits, savings accounts, dividends, interest investments; to lower the cost of living by increasing the volume and supply of goods and services; to stabilize the value of commodities and inventories and to forever establish a sound currency of uniform permanent, debt-paying purchasing power.

The monetary policy should be, to establish a dollar which should always be just and fair to debtors and creditors alike, so that the debtors would repay in interest and principal, dollars of the same purchasing power, as the dollars he borrowed and no more; and so that **the creditor would receive dollars of the same purchasing power as the dollars he loaned and no less. This is the dollar that President Roosevelt promised in his cable to the London Monetary Conference in 1933, four years ago.**

The monetary policy should contain the mechanisms by which these ends could be accomplished. It should give the power necessary to accomplish these ends and direct the Executive Department, the Federal Reserve Board, to carry out this policy. This should be done in such plain terms that the failure to discharge the duty would be an impeachable offense. The monetary policy should expand the powers of the Federal Reserve Board and give them direct control over the Federal Reserve Banks with the absolute right to control the interest and discount rate, control and direct the member bank reserve requirements and the monetary policy of such reserve banks.

How Banks Should Operate

The monetary policy should require all banks engaged in interstate commerce to clear their checks without cost through the reserve banks, to be equally entitled to discount accommodations of the reserve banks, and all deposits should be insured whether large or small.

The Federal Reserve banks should be operated as one bank with branches, and no bank should be required or permitted to continue to be a stockholder in the Federal Reserve Bank, but all banks should be members and entitled to equal privileges, giving the smallest bank the same accommodation as the largest.

The monetary policy should have but one form of Federal Reserve Note; abolishing the so-called gold certificates, since legal tender can buy all the gold required.

The Government of the United States should pay off the stock held by member banks and make the reserve banks what they were intended for—a Federal Bank for the protection of industry, commerce, and agriculture.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

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President's New Deal Cabinet Now Plows Under Wall Street

Policies of Destructionism Applied to Stock Market

By Special Correspondent of SOCIAL JUSTICE

NEW YORK, N. Y. — Fearful lest the prices of stocks and commodities rise above their 1926 level, the president has intentionally applied his policy of destructionism to Wall Street.

Of the 700 major stocks listed on the so-called Big Board of the Stock Exchange, more than 70 per cent of them tumbled in value under the crack of the president's whip.

The presidential whip cracked at a meeting of the cabinet last week. Cabineteers Cordell Hull of the State Department, Woodring of the War Department, Cummings of the Justice Department, Perkins of the Labor Department and Farley of the Post Office Department, together with Swanson of the Navy and Ickes of the Interior, sat down with the president to revive the wheat-burning policy, the cotton plowing-under policy and the pig-murdering policy to Wall Street.

Announce Meeting To Fix Gold Price

To the press it was advertised that the president and his cabinet were assembled to discuss the re-adjustment of the price of gold.

As a result of their discussions, the nation's press, swallowing the bait of the gold adjustment story, likewise swallowed the hook of the presidential publicity to the effect that "stock prices are too high; steel and copper are too high; commodities are too high." They also published the fact that the president solemnly warned governmental employes to get out of the stock market and stay out until he had succeeded in breaking it.

As a result of the cabinet meeting to discuss the re-adjustment of the gold price, no re-adjustment eventuated. Nevertheless, the presidential threat publicized by the news journals of the country depreciated the stocks listed on the Big Board $2½-billion. The stocks listed on the curb dropped $2,089-million. The commodities listed on the cotton exchange dropped over $100-million. The Chicago Grain Exchange prices slumped approximately $400-million.

Here, then, was the greatest demonstration of destructionism which the United States has witnessed since the advent of the New Deal. Mr. Roosevelt, like his predecessor, Mr. Hoover, fathered a new deflation which cost the United States of America in one day almost $6-billion.

Result Is Loss Of Tax Revenue

When SOCIAL JUSTICE approached certain Senators as to the results of this new plowing under policy, it was learned:

1. Mr. Roosevelt has now completed the cycle of destructionism.

2. He bit off his own nose to spite his face insofar as this latest move cost the Treasury Department approximately $300-million in taxes that will not be paid.

3. He has made General Motors, U. S. Steel, the textile factories and all other corporations less valuable for the working men of America who depend upon industry for their livelihood.

4. He has paraded himself before the thinking public as a leader who, in one breath, says that prices must advance to the 1926 level and, in another breath, as a leader who says that prices must remain on the Hoover standard.

Short Sale Coup Is Side Issue

A side issue of this intentional devastating leak which caused the slump in the stock market was made manifest in Michigan.

Every informed person knows that the United States is now importing grains from the Argentine with which to meet the need for our daily bread. It is notorious that both America and the world are suffering from a shortage of wheat, rye, corn and other cereals. With this information there should only be one logical trend for the prices of cereals on the commodity market.

If there is anything to the law of supply and demand, the prices of these commodities should go up. In the face of this, smart men about town in Detroit were astounded to learn that Governor Frank Murphy's unofficial campaign manager had played the market short. In other words, he bet on the commodity exchange that wheat and corn and rye would go lower. Perhaps this was beginner's luck. Perhaps it wasn't.

Behind the Washington News Front

WASHINGTON, D. C.—The following true story epitomizes, we believe, better than any dozen articles or books on the subject, the mental processes of the average person who comes to Washington to forage at the public trough.

It was the day of the Supreme Court decision on the Wagner Act. A corporation lawyer and a labor union official were arguing about the court over their noon-day meal in the Senate restaurant.

The union official had attacked the justices as "reactionaries" out of step with the times.

This brought a flow of oratory, in defense of the court, from the corporation man.

"Listen," he exlaimed, "there's nothing wrong with the Supreme Court. It's people like you who are wrong. You want the justices to destroy the meaning of the Constitution, and when they don't do it you get sore and call them reactionaries. Why, those nine illustrious justices—"

At this point, a page boy stopped at the table and whispered something in the ear of the union official. the latter turned smilingly to his vis-a-vis and said:

"The Supreme Court has just declared the Wagner Act constitutional in all five test cases."

"What!" cried the lawyer, almost losing a mouthful of bread. **"Why, those dirty, crawfishing so-and-so's!"**

SOCIAL JUSTICE will continue to record important developments on all the money bills now before Congress. In addition to the Lemke measure discussed here, stories on the Patman and Thomas bills will also appear. All three, while completely separate proposals in Congress, possess approved features.

Lemke Money Bill Creates Bank of United States

(Continued from Page 3)

tion on the security of home-loan bonds.

Proposes to Retire Government Debt

Section 16 provides that interest may not exceed 1 per cent per annum and maturities of all loans must not exceed 30 years. No individual, association, or private corporation is permitted to borrow money and the Bank is prohibited from dealing in foreign exchange or in foreign money or securities or in making loans to foreign governments, banks, or corporations.

Section 17 authorizes the Bank to call for payment of the outstanding bonds of the United States and preferences given the bonds bearing the highest interest rate. After the Bank acquires these bonds interest is reduced to a maximum of 1 per cent.

Section 18 authorizes the Bank to exchange these bonds of the United States for currency to be furnished by the Secretary of the Treasury, **the aim being to retire the debt of the United States and place the nation on a cash basis.**

Section 19 places the obligation of a sound monetary and credit system on the Bank.

Provides for Stabilized Dollar

Section 20 authorizes the executive committee to regulate the money of the United States and to stabilize the money on the basis of fair price levels. The executive committee is also charged with keeping the price level of the nation free from an increase of over 5 per cent, or a decrease of over 2 per cent.

Section 21 abolishes the present Federal Reserve Board and transfers all its duties to the new Bank of the United States through its Board of Control; it retires the Federal Reserve notes and the Federal Reserve Bank notes by substituting the legal tender of the Bank of the United States.

Section 22 provides that the money of the United States shall be the money of the Bank of the United States, so that all gold and silver certificates, national bank notes and Treasury notes of 1890 shall be retired. In carrying out this provision the old money shall be recognized only for a period of 10 years, when it shall cease to be legal tender.

Money Would Be Backed by Metal

Section 23 provides the gold coin and gold bullion shall be set aside for the Treasury of the United States in exchange for an equal amount of lawful money. It also provides that the net earnings of the Bank shall go into the public Treasury.

Section 24 is technically legal in character.

Section 25 provides for annual audits by competent accountants, named by Congress, who shall report to the President of the United States, to the Board of Control and to both Houses of Congress.

Section 26 punishes violators by fines not to exceed $50,000 or by imprisonment not exceeding 25 years, or both.

Section 27 appropriates $500,000 to start the Bank.

Section 28, the final section, repeals all Acts inconsistent with H. R. 1659.

Hearings On Thomas Bill Open May 31

Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C. — Public hearings on the Thomas monetary authority bill are scheduled to begin about May 31, when farm leaders from every section of the country will converge on Washington for testimony on the merits of the bill.

The visit of the farm spokesmen will really be a two-fold mission, for they will be here also to help draft an agricultural program for this session of Congress. A hurried call was made for their assistance after the senate committee on agriculture revolted against the administration and refused to consider farm legislation written by Secretary Wallace.

The Thomas bill, simply described, seeks to forestall future depressions by first adjusting the purchasing power of the dollar to the 1926 level and then stabilizing it permanently at that level.

Aims To Regulate Value of Dollar

The purchasing value of the dollar now hovers around $1.16, according to Senator Elmer Thomas (Okla.), author of the legislation.

As previously stated in SOCIAL JUSTICE, the monetary authority bill is not a complete remedy for our money evils, since it gives Congress only the control over the value of our money. It does not restore to Congress its constitutional authority to coin our money.

The bill, however, as far is it goes, merits the support of honest money advocates. If its provisions were rigidly adhered to, the measure would have the wholesome effect of preventing depressions resulting from either deflation or inflation.

There is little likelihood that the bill will get anywhere at this session, since administration support is not forthcoming and there is as yet no sponsorship of the measure in the House.

Farm Prices Seriously Affected

The public hearings will be conducted by the Senate committee on agriculture and forestry.

The Thomas bill, like the Frazier-Lemke refinance bill, attacks the money problem from the standpoint of agriculture. Since agriculture is the basic industry of the nation, Senator Thomas believes there can be no general and permanent recovery until the economic slavery of the farmer is first abolished.

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